



Canada

Debates of the Senate

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE WISHART McLEA ROBERTSON, P.C.,
SPEAKER

1957

FIFTH SESSION, TWENTY-SECOND PARLIAMENT
5-6 ELIZABETH II

*The Session was opened on January 8, 1957
and was prorogued on April 12, 1957*

*The Twenty-Second Parliament was dissolved
on April 12, 1957*

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1957

THE MINISTRY

According to Precedence

APRIL 12, 1957

THE RIGHT HONOURABLE LOUIS STEPHEN ST. LAURENT, M.P.	Prime Minister and President of the Privy Council.
THE RIGHT HONOURABLE CLARENCE DECATUR HOWE, M.P.	Minister of Trade and Commerce and Minister of Defence Production.
THE RIGHT HONOURABLE JAMES GARFIELD GARDINER, M.P.	Minister of Agriculture.
THE HONOURABLE PAUL JOSEPH JAMES MARTIN, M.P.	Minister of National Health and Welfare.
THE HONOURABLE JAMES J. McCANN, M.P.	Minister of National Revenue.
THE HONOURABLE MILTON FOWLER GREGG, M.P.	Minister of Labour.
THE HONOURABLE LESTER BOWLES PEARSON, M.P.	Secretary of State for External Affairs.
THE HONOURABLE STUART SINCLAIR GARSON, M.P.	Minister of Justice and Attorney General.
THE HONOURABLE ROBERT HENRY WINTERS, M.P.	Minister of Public Works.
THE HONOURABLE HUGUES LAPOINTE, M.P.	Minister of Veterans Affairs and Postmaster General.
THE HONOURABLE WALTER EDWARD HARRIS, M.P.	Minister of Finance and Receiver General.
THE HONOURABLE GEORGE PRUDHAM, M.P.	Minister of Mines and Technical Surveys.
THE HONOURABLE JAMES SINCLAIR, M.P.	Minister of Fisheries.
THE HONOURABLE RALPH OSBORNE CAMPNEY, M.P.	Minister of National Defence.

SENATOR THE HONOURABLE WILLIAM
ROSS MACDONALD Solicitor General and Leader of the
Government in the Senate.

THE HONOURABLE JOHN WHITNEY
PICKERSGILL, M.P. Minister of Citizenship and
Immigration.

THE HONOURABLE JEAN LESAGE, M.P. .. Minister of Northern Affairs and
National Resources.

THE HONOURABLE GEORGE CARLYLE
MARLER, M.P. Minister of Transport.

THE HONOURABLE ROCH PINARD, M.P. .. Secretary of State.

PARLIAMENTARY ASSISTANTS

ROBERT McCUBBIN, M.P. to the Minister of Agriculture.

J. WATSON MACNAUGHT, M.P. to the Minister of Fisheries.

J. A. BLANCHETTE, M.P. to the Minister of Labour.

W. M. BENIDICKSON, M.P. to the Minister of Finance.

L. LANGLOIS, M.P. to the Minister of Transport.

J. H. DICKEY, M.P. to the Minister of Defence Production.

W. G. WEIR, M.P. to the Prime Minister.

C. E. BENNETT, M.P. to the Minister of Veterans Affairs.

F. G. ROBERTSON, M.P. to the Minister of National Health
and Welfare.

MAURICE BOURGET, M.P. to the Minister of Public Works.

T. A. M. KIRK, M.P. to the Postmaster General.

LUCIEN CARDIN, M.P. to the Secretary of State for External
Affairs.

PAUL HELLYER, M.P. to the Minister of National Defence.

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

R. B. BRYCE Clerk of the Privy Council and Secre-
tary to the Cabinet.

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

SENATORS OF CANADA

ACCORDING TO SENIORITY

APRIL 12, 1957

THE HONOURABLE WISHART McLEA ROBERTSON, P.C., SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ARTHUR C. HARDY, P.C.....	Leeds.....	Brockville, Ont.
WILLIAM H. MCGUIRE.....	East York.....	Toronto, Ont.
DONAT RAYMOND.....	De la Vallière.....	Montreal, Que.
CAIRINE R. WILSON.....	Rockcliffe.....	Ottawa, Ont.
ARTHUR MARCOTTE.....	Ponteix.....	Ponteix, Sask.
RALPH BYRON HORNER.....	Blaine Lake.....	Blaine Lake, Sask.
WALTER MORLEY ASELTINE.....	Rosetown.....	Rosetown, Sask.
FELIX P. QUINN.....	Bedford-Halifax.....	Bedford, N.S.
JOHN T. HAIG.....	Winnipeg.....	Winnipeg, Man.
JOHN WALLACE DE B. FARRIS.....	Vancouver South.....	Vancouver, B.C.
ADRIAN K. HUGESSEN.....	Inkerman.....	Montreal, Que.
NORMAN P. LAMBERT.....	Ottawa.....	Ottawa, Ont.
ARTHUR LUCIEN BEAUBIEN.....	Provencher.....	St. Jean Baptiste, Man.
ARISTIDE BLAIS.....	St. Albert.....	Edmonton, Alta.
CHARLES BENJAMIN HOWARD.....	Wellington.....	Sherbrooke, Que.
SALTER ADRIAN HAYDEN.....	Toronto.....	Toronto, Ont.
NORMAN McLEOD PATERSON.....	Thunder Bay.....	Fort William, Ont.
WILLIAM DAUM EULER, P.C.....	Waterloo.....	Kitchener, Ont.
LÉON MERCIER GOUIN.....	De Salaberry.....	Montreal, Que.
THOMAS VIEN, P.C.....	De Lorimier.....	Outremont, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
WILLIAM RUPERT DAVIES.....	Kingston.....	Kingston, Ont.
GORDON PETER CAMPBELL.....	Toronto.....	Toronto, Ont.
WISHART McLEA ROBERTSON, P.C. (Speaker)..	Shelburne.....	Truro, N.S.
TÉLESOPHORE DAMIEN BOUCHARD.....	The Laurentides.....	St. Hyacinthe, Que.
CYRILLE VAILLANCOURT.....	Kennebec.....	Lévis, Que.
JACOB NICOL.....	Bedford.....	Sherbrooke, Que.
THOMAS ALEXANDER CRERAR, P.C.....	Churchill.....	Winnipeg, Man.
WILLIAM HORACE TAYLOR.....	Norfolk.....	R. R. 3, Brantford, Ont.
FRED WILLIAM GERSHAW.....	Medicine Hat.....	Medicine Hat, Alta.
JOHN POWER HOWDEN.....	St. Boniface.....	Norwood Grove, Man.
VINCENT DUPUIS.....	Rigaud.....	Montreal, Que.
CHARLES L. BISHOP.....	Ottawa.....	Ottawa, Ont.
JOHN JAMES KINLEY.....	Queens-Lunenburg.....	Lunenburg, N.S.
CLARENCE JOSEPH VENIOT.....	Gloucester.....	Bathurst, N.B.
ARTHUR WENTWORTH ROEBUCK.....	Toronto-Trinity.....	Toronto, Ont.
JOHN ALEXANDER McDONALD.....	Kings.....	Halifax, N.S.
ALEXANDER NEIL McLEAN.....	Southern New Brunswick..	Saint John, N.B.
GEORGE PERCIVAL BURCHILL.....	Northumberland-Miramichi	South Nelson, N.B.
JEAN-MARIE DESSUREAULT.....	Stadacona.....	Quebec, Que.
PAUL HENRI BOUFFARD.....	Grandville.....	Quebec, Que.
JAMES GRAY TURGEON.....	Cariboo.....	Vancouver, B.C.
STANLEY STEWART McKEEN.....	Vancouver.....	Vancouver, B.C.
THOMAS FARQUHAR.....	Algoma.....	Little Current, Ont.
JOSEPH WILLE COMEAU.....	Clare.....	Comeauville, N.S.
THOMAS H. WOOD.....	Regina.....	Regina, Sask.
JAMES ANGUS MACKINNON, P.C.....	Edmonton.....	Edmonton, Alta.
THOMAS VINCENT GRANT.....	Montague.....	Montague, P.E.I.
WILLIAM ALEXANDER FRASER.....	Trenton.....	Trenton, Ont.
WILLIAM HENRY GOLDING.....	Huron-Perth.....	Seaforth, Ont.
GEORGE H. BARBOUR.....	Prince.....	Charlottetown, P.E.I.
ALEXANDER BOYD BAIRD.....	St. John's.....	St. John's, Nfld.
RAY PETTEN.....	Bonavista.....	St. John's, Nfld..
THOMAS REID.....	New Westminster.....	New Westminster, B.C.
J. WESLEY STAMBAUGH.....	Bruce.....	Bruce, Alta.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
GORDON B. ISNOR.....	Halifax-Dartmouth.....	Halifax, N.S.
CHARLES G. HAWKINS.....	Milford-Hants.....	Milford Station, N.S.
CALVERT C. PRATT.....	St. John's West.....	St. John's, Nfld.
MICHAEL G. BASHA.....	West Coast.....	Curling, Nfld.
MARIANA BEAUCHAMP JODOIN.....	Sorel.....	Montreal, Que.
MURIEL McQUEEN FERGUSSON.....	Fredericton.....	Fredericton, N.B.
ALLAN L. WOODROW.....	Toronto-Centre.....	Toronto, Ont.
FREDERICK GORDON BRADLEY, P.C.....	Bonavista-Twillingate.....	Bonavista, Nfld.
WILLIAM ROSS MACDONALD, P.C.....	Brantford.....	Brantford, Ont.
JOSEPH ARTHUR BRADETTE.....	Cochrane.....	Cochrane, Ont.
LEONARD DAVID SWEZEY TREMBLAY.....	Lauzon.....	St. Malachie, Que.
SARTO FOURNIER.....	De Lanaudière.....	Montreal, Que.
AUREL D. LÉGER.....	Kent.....	Grande Digue, N.B.
JOHN J. CONNOLLY.....	Ottawa West.....	Ottawa, Ont.
NANCY HODGES.....	Victoria.....	Victoria, B.C.
DONALD CAMERON.....	Banff.....	Edmonton, Alta.
WILLIAM M. WALL.....	Winnipeg.....	Winnipeg, Man.
DAVID A. CROLL.....	Toronto-Spadina.....	Toronto, Ont.
THOMAS D'ARCY LEONARD.....	Toronto-Rosedale.....	Toronto, Ont.
FRED A. McGRAND.....	Sunbury.....	Fredericton Junction, N.B.
CALIXTE F. SAVOIE.....	L'Acadie.....	Moncton, N.B.
DONALD SMITH.....	Queens-Shelburne.....	Liverpool, N.S.
HAROLD CONNOLLY.....	Halifax North.....	Halifax, N.S.
FLORENCE ELSIE INMAN.....	Murray Harbour.....	Montague, P.E.I.
HARTLAND DE MONTARVILLE MOLSON.....	Alma.....	Montreal, Que.
CHARLES GAVAN POWER, P.C.....	Gulf.....	St. Pacome, Que.
JEAN-FRANÇOIS POULIOT.....	De la Durantaye.....	Rivière du Loup, Que.
SYDNEY JOHN SMITH.....	Kamloops.....	Kamloops, B.C.
AUSTIN CLAUDE TAYLOR.....	Westmorland.....	Salisbury, N. B.
WILLIAM ALBERT BOUCHER.....	Prince Albert.....	Prince Albert, Sask.
HENRI CHARLES BOIS.....	Montarville.....	St. Bruno, Que.

Died during session:

*The Honourable Joseph James Duffus, Peterborough, Ontario,
February 7, 1957.*

*The Honourable Armand Daigle, Montreal, Quebec,
March 8, 1957.*

*The Honourable James P. McIntyre, Mount Stewart, Prince Edward
Island, April 8, 1957.*

SENATORS OF CANADA

ALPHABETICAL LIST

APRIL 12, 1957

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

SENATORS—ALPHABETICAL LIST

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DUPUIS, VINCENT.....	Rigaud.....	Montreal, Que.
EULER, W. D., P.C.....	Waterloo.....	Kitchener, Ont.
FARQUHAR, THOMAS.....	Algoma.....	Little Current, Ont.
FARRIS, J. W. DE B.....	Vancouver South.....	Vancouver, B.C.
FERGUSSON, MURIEL MCQ.....	Fredericton.....	Fredericton, N.B.
FOURNIER, SARTE.....	De Lanaudière.....	Montreal, Que.
FRASER, WILLIAM A.....	Trenton.....	Trenton, Ont.
GERSHAW, F. W.....	Medicine Hat.....	Medicine Hat, Alta.
GOLDING, WILLIAM H.....	Huron-Perth.....	Seaforth, Ont.
GOUIN, L. M.....	De Salaberry.....	Montreal, Que.
GRANT, THOMAS V.....	Montague.....	Montague, P.E.I.
HAIG, JOHN T.....	Winnipeg.....	Winnipeg, Man.
HARDY, ARTHUR C., P.C.....	Leeds.....	Brockville, Ont.
HAWKINS, CHARLES G.....	Milford-Hants.....	Milford Station, N.S.
HAYDEN, SALTER A.....	Toronto.....	Toronto, Ont.
HODGES, NANCY.....	Victoria.....	Victoria, B.C.
HORNER, R. B.....	Blaine Lake.....	Blaine Lake, Sask.
HOWARD, CHARLES B.....	Wellington.....	Sherbrooke, Que.
HOWDEN, JOHN P.....	St. Boniface.....	Norwood Grove, Man.
HUGESSEN, A. K.....	Inkerman.....	Montreal, Que.
INMAN, F. ELSIE.....	Murray Harbour.....	Montague, P.E.I.
ISNOR, GORDON B.....	Halifax-Dartmouth.....	Halifax, N.S.
JODOIN, MARIANA B.....	Sorel.....	Montreal, Que.
KINLEY, JOHN J.....	Queens-Lunenburg.....	Lunenburg, N.S.
LAMBERT, NORMAN P.....	Ottawa.....	Ottawa, Ont.
LÉGER, AUREL D.....	Kent.....	Grande Digue, N.B.
LEONARD, T. D'ARCY.....	Toronto-Rosedale.....	Toronto, Ont.
MACDONALD, W. ROSS, P.C.....	Brantford.....	Brantford, Ont.
MACKINNON, JAMES A., P.C.....	Edmonton.....	Edmonton, Alta.
MARCOTTE, ARTHUR.....	Ponteix.....	Ponteix, Sask.
MCDONALD, JOHN A.....	Kings.....	Halifax, N.S.
MCGRAND, FRED A.....	Sunbury.....	Fredericton Junction, N.B.
MCGUIRE, WILLIAM H.....	East York.....	Toronto, Ont.
McKEEN, STANLEY S.....	Vancouver.....	Vancouver, B.C.
McLEAN, A. NEIL.....	Southern New Brunswick..	Saint John, N.B.
MOLSON, H. DE M.....	Alma.....	Montreal, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
NICOL, JACOB.....	Bedford.....	Sherbrooke, Que.
PATERSON, NORMAN McL.....	Thunder Bay.....	Fort William, Ont.
PETTEN, RAY.....	Bonavista.....	St. John's, Nfld.
POULIOT, JEAN-FRANÇOIS.....	De la Durantaye.....	Rivière du Loup, Que.
POWER, C. G., P.C.....	Gulf.....	St. Pacome, Que.
PRATT, CALVERT C.....	St. John's West.....	St. John's, Nfld.
QUINN, FELIX P.....	Bedford-Halifax.....	Bedford, N.S.
RAYMOND, DONAT.....	De la Vallière.....	Montreal, Que.
REID, THOMAS.....	New Westminster.....	New Westminster, B.C.
ROBERTSON, WISHART McLEA, P.C. (Speaker)	Shelburne.....	Truro, N.S.
ROEBUCK, ARTHUR W.....	Toronto-Trinity.....	Toronto, Ont.
SAVOIE, CALIXTE F.....	L'Acadie.....	Moncton, N.B.
SMITH, DONALD.....	Queens-Shelburne.....	Liverpool, N.S.
SMITH, SYDNEY J.....	Kamloops.....	Kamloops, B.C.
STAMBAUGH, J. WESLEY.....	Bruce.....	Bruce, Alta.
TAYLOR, AUSTIN C.....	Westmorland.....	Salisbury, N.B.
TAYLOR, WILLIAM H.....	Norfolk.....	R. R. 3, Brantford, Ont.
TREMBLAY, LEONARD.....	Lauzon.....	St. Malachie, Que.
TURGEON, GRAY.....	Cariboo.....	Vancouver, B.C.
VAILLANCOURT, CYRILLE.....	Kennebec.....	Lévis, Que.
VENIOT, CLARENCE J.....	Gloucester.....	Bathurst, N.B.
VIEN, THOMAS, P.C.....	De Lorimier.....	Outremont, Que.
WALL, WILLIAM M.....	Winnipeg.....	Winnipeg, Man.
WILSON, CAIRINE R.....	Rockcliffe.....	Ottawa, Ont.
WOOD, THOMAS H.....	Regina.....	Regina, Sask.
WOODROW, ALLAN L.....	Toronto-Centre.....	Toronto, Ont.

Died during session:

*The Honourable Joseph James Duffus, Peterborough, Ontario,
February 7, 1957.*

*The Honourable Armand Daigle, Montreal, Quebec,
March 8, 1957.*

*The Honourable James P. McIntyre, Mount Stewart, Prince
Edward Island, April 8, 1957.*

SENATORS OF CANADA

BY PROVINCES

APRIL 12, 1957

ONTARIO—24

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

*The Honourable Joseph James Duffus, Peterborough, Ontario,
February 7, 1957.*

QUEBEC—24

SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
THE HONOURABLE		
1 DONAT RAYMOND.....	De la Vallière.....	Montreal.
2 ADRIAN K. HUGESSEN.....	Inkerman.....	Montreal.
3 CHARLES BENJAMIN HOWARD.....	Wellington.....	Sherbrooke.
4 LÉON MERCIER GOUIN.....	De Salaberry.....	Montreal.
5 THOMAS VIEN, P.C.....	De Lorimier.....	Outremont.
6 TÉLESOPHORE DAMIEN BOUCHARD.....	The Laurentides.....	St. Hyacinthe.
7 CYRILLE VAILLANCOURT.....	Kennebec.....	Lévis.
8 JACOB NICOL.....	Bedford.....	Sherbrooke.
9 VINCENT DUPUIS.....	Rigaud.....	Montreal.
10 JEAN-MARIE DESSUREAULT.....	Stadacona.....	Quebec.
11 PAUL HENRI BOUFFARD.....	Grandville.....	Quebec.
12 MARIANA BEAUCHAMP JODOIN.....	Sorel.....	Montreal.
13 LEONARD DAVID SWEZEY TREMBLAY.....	Lauzon.....	St. Malachie.
14 SARTE FOURNIER.....	De Lanaudière.....	Montreal.
15 HARTLAND DE MONTARVILLE MOLSON.....	Alma.....	Montreal.
16 CHARLES GAVAN POWER, P.C.....	Gulf.....	St. Pacome.
17 JEAN-FRANÇOIS POULIOT.....	De la Durantaye.....	Rivière du Loup.
18 HENRI CHARLES BOIS.....	Montarville.....	St. Bruno.
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Died during session:

*The Honourable Armand Daigle, Montreal, Quebec,
March 8, 1957.*

NOVA SCOTIA—10

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 FELIX P. QUINN.....	Bedford-Halifax.....	Bedford.
2 WISHART MCLEA ROBERTSON, P.C. (Speaker).....	Shelburne.....	Truro.
3 JOHN JAMES KINLEY.....	Queens-Lunenburg.....	Lunenburg.
4 JOHN ALEXANDER McDONALD.....	Kings.....	Halifax.
5 JOSEPH WILLIE COMEAU.....	Clare.....	Comeauville.
6 GORDON B. ISNOR.....	Halifax-Dartmouth.....	Halifax.
7 CHARLES G. HAWKINS.....	Milford-Hants.....	Milford Station.
8 DONALD SMITH.....	Queens-Shelburne.....	Liverpool.
9 HAROLD CONNOLLY.....	Halifax North.....	Halifax.
10 .....	.....	.....

NEW BRUNSWICK—10

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

THE HONOURABLE		
1 THOMAS VINCENT GRANT.....	Montague.....	Montague.
2 GEORGE H. BARBOUR.....	Prince.....	Charlottetown.
3 FLORENCE ELSIE INMAN.....	Murray Harbour.....	Montague.
4 .....	.....	.....

Died during session:

The Honourable James Peter McIntyre, Mount Stewart, Prince Edward Island, April 8, 1957.

BRITISH COLUMBIA—6

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

MANITOBA—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 JOHN T. HAIG.....	Winnipeg.....	Winnipeg.
2 ARTHUR L. BEAUBIEN.....	Provencher.....	St. Jean Baptiste.
3 THOMAS ALEXANDER CRERAR, P.C.....	Churchill.....	Winnipeg.
4 JOHN POWER HOWDEN.....	St. Boniface.....	Norwood Grove.
5 WILLIAM M. WALL.....	Winnipeg.....	Winnipeg.
6 .....	.....	.....

SASKATCHEWAN—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 ARTHUR MARCOTTE.....	Ponteix.....	Ponteix.
2 RALPH BYRON HORNER.....	Blaine Lake.....	Blaine Lake.
3 WALTER M. ASELTINE.....	Rosetown.....	Rosetown.
4 THOMAS H. WOOD.....	Regina.....	Regina.
5 WILLIAM ALBERT BOUCHER.....	Prince Albert.....	Prince Albert.
6 .....	.....	.....

ALBERTA—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 ARISTIDE BLAIS.....	St. Albert.....	Edmonton.
2 FRED WILLIAM GERSHAW.....	Medicine Hat.....	Medicine Hat.
3 JAMES ANGUS MACKINNON, P.C.....	Edmonton.....	Edmonton.
4 J. WESLEY STAMBAUGH.....	Bruce.....	Bruce.
5 DONALD CAMERON.....	Banff.....	Edmonton.
6 .....	.....	.....

NEWFOUNDLAND—6

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

THE SENATE

Officers and Chiefs of Principal Branches

John F. MacNeill, Q.C., B.A., LL.B., Clerk of the Senate and Clerk of the Parliaments.

E. Russell Hopkins, B.A., LL.B., Law Clerk and Parliamentary Counsel.

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

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

Harvey Armstrong, Chief Clerk of Committees.

H. D. Gilman, Chief Treasury Officer and Assistant to the Clerk of the Parliaments.

B. P. Lake, Editor of Debates and Chief of Reporting Branch.

Miss I. M. Hutton, Chief of Minutes and Journals (English).

Paul LaRocque, Chief of Minutes and Journals (French).

R. J. Dallaire, Acting Postmaster.

Miss N. Foley, Supervisor of Stenographic Service.

R. E. C. Lay, Chief of Stationery Branch.

W. R. Gray, Chief of Joint Distribution Office.

W. D. Foran, Chief of Protective Service.

W. Pentecost, Manager of Parliamentary Restaurant.

PARLIAMENTARY REPORTERS (SENATE)

(English) Graydon Hagen, P. H. Shelton, T. S. Hubbard, Jr., F. C. K. Crockett,
F. S. Lawrence.

(French) Victor Lemire, M.B.E.

BUREAU FOR TRANSLATIONS

Henriot Mayer, Chief of Debates Division.

LIBRARY OF PARLIAMENT

F. A. Hardy, Parliamentary Librarian.

Guy Sylvestre, Associate Parliamentary Librarian.

CANADA

Debates of the Senate

OFFICIAL REPORT

THE SENATE

Tuesday, January 8, 1957

OPENING OF FIFTH SESSION TWENTY-SECOND PARLIAMENT

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

The Senate met at 2.15 p.m., the Speaker in the Chair.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE
Ottawa

December 20, 1956

Sir,

I have the honour to inform you that His Excellency the Governor General will arrive at the main entrance of the Houses of Parliament at 2.30 p.m., on Tuesday the 8th January, 1957, and, when it has been signified that all is in readiness, will proceed to the Senate Chamber to open formally the Fifth Session of the Twenty-Second Parliament of Canada.

I have the honour to be,
Sir,

Your obedient servant,
Lionel Massey,
Secretary to the Governor General

The Honourable
The Speaker of the Senate,
Ottawa.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

At 2.30 p.m. His Excellency the Governor General proceeded to the Senate chamber and took his seat upon the Throne. His Excellency was pleased to command the attendance of the House of Commons, and, that House being come, with their Speaker, His Excellency was pleased to open the Fifth Session of the Twenty-Second Parliament of Canada with the following speech:

Honourable Members of the Senate,

Members of the House of Commons,

It is again a pleasure for me to greet you as you resume your parliamentary duties in this New Year.

The international scene continues to be characterized by instability in the Middle East and in Eastern Europe.

My ministers remain convinced of the need to maintain the basic unity of the Commonwealth and the reality of the Western Alliance, to contribute effectively to the supervision of the cessation of hostilities between Israel and Egypt under the authority of the United Nations and to the achievement of a lasting settlement of Middle East problems.

Visits to Canada in the last few weeks by the Prime Ministers of Ceylon and India have been conducive to a renewed strengthening of the bonds which unite the peoples of the Commonwealth in their constant aim to co-operate in the pursuit of peace, liberty and progress.

An encouraging advance is being made, as evidenced by the latest Ministerial Meeting of the Council, in the development of the North Atlantic Treaty Organization in the non-military as well as in the military field. My ministers remain strongly convinced of the need to maintain the North Atlantic Treaty as the keystone of the defence of the Western nations.

In the Middle East Canadian servicemen, as part of the United Nations Emergency Force proposed by Canada at the General Assembly of the United Nations, are performing valuable tasks in the interest of world peace.

The United Nations has served to focus world opinion on the brutal repression of the heroic Hungarian people in their endeavour to throw off the yoke of Soviet imperialism. The vast humanitarian problems that have arisen as a result of Soviet intervention require the joint efforts of many countries. Through the United Nations, the Red Cross, and in co-operation with the Government of Austria, this country is playing its part in relieving suffering and resettling the refugees.

The entrance into Canada of Hungarian refugees has been greatly facilitated and free transportation provided from Austria to new homes in this country. Already thousands of these Hungarians have been welcomed to Canada and we look forward to receiving thousands more during the winter and spring.

There are also substantially increasing numbers of immigrants from the British Isles arranging to proceed to Canada this year.

Recent events have confirmed my ministers' belief in the importance of seeking solutions to international problems through the United Nations and of upholding by all practical and constructive means the principles of the United Nations Charter. My ministers also believe, however, that while making every effort to achieve these long-term goals, the Western nations must remain strong and united in their defences and in their diplomacy in order that aggressive action against them will be prevented and international tension can be lessened.

Excellent progress is being made in our national economic development. Expansion is evident in every part of Canada. Rapid strides are being made in opening up and utilizing our natural resources and in our industrial and urban growth. Employment has reached unprecedented levels. Once again we have been blessed with good crops. External trade was considerably greater last year than during any previous year. Canadians in almost every part of the country have been enjoying the benefits of this invigorating economic climate.

Indeed our economic expansion has been so rapid that it has put a serious strain upon the supply of various types of labour and materials needed for the many projects which are being put in hand. The corresponding competition to borrow savings to finance all these projects has brought about an increase in interest rates. Increases in the volume of money and credit have had to be carefully limited in order to check inflationary tendencies and the financial policies of my Government have also been directed to counteract these same tendencies.

In the last few days a serious industrial dispute has led to a stoppage of work on one of the major railways of Canada despite the use of the normal processes of conciliation. Special efforts have been made and are continuing to be made by my ministers to assist the parties to reach an agreed settlement.

The preliminary report of the Royal Commission on Economic Prospects has been received and will shortly be laid before you.

You will be asked to approve a measure for the establishment of a Canada Council for the Arts, Humanities and Social Sciences, in order to give a new impetus to the development of Canadian scholarship and culture. In this measure you will be asked to approve an endowment for the council so that it may discharge its functions with the greatest possible sense of responsibility.

Because it is important that our universities should be able to keep pace with the increasing demands to be made upon them by the increasing number of young Canadians, you will be asked to approve a further grant of money to the Canada Council to be distributed by it for the purpose of assisting Canadian universities in some of their necessary construction projects. You will also be asked to approve the doubling of the annual grants to universities, and the payment of these funds to the National Conference of Canadian Universities for division by it among the recognized institutions of higher learning.

A measure will be placed before you for the purpose of renewing on a revised and increased basis the federal program of grants to provincial governments in aid of technical and vocational training.

It is proposed to recommend in the Senate the establishment of a committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

An amendment extending the scope of the Municipal Grants Act will be laid before you to authorize the payment of grants in lieu of taxes on federal property in all municipalities where such property receives the normal municipal services.

An amendment to the Merchant Seamen Compensation Act will be presented making appropriate improvements in the scale of benefits to disabled seamen and the dependants of deceased seamen.

You will be asked to consider legislation for the implementation of a North Pacific Fur Seal Convention.

An amendment to the Sockeye Salmon Convention Act to include pink salmon in this international agreement will also be laid before you.

You will be asked to consider a revision of the law controlling narcotic drugs in the light of the report of the Senate committee on the use of narcotics in Canada.

A bill will be introduced for the purpose of continuing the Canadian Wheat Board as the sole marketing agency for western wheat, oats and barley.

A measure will be laid before you to provide for the division of the National Museum of Canada into two museums to be known as the Canadian Museum of Natural History and the Canadian Museum of Human History.

A revision of the Federal District Commission Act will be presented for your consideration.

Amendments of detail to a number of other acts will also be introduced.

Members of the house of Commons,

You will be asked to appropriate the funds required to maintain the services and payments provided under the authority of Parliament.

Honourable Members of the Senate,

Members of the House of Commons,

May Divine Providence guide you in your deliberations.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

Prayers.

RAILWAYS BILL

FIRST READING

Hon. Mr. Vaillancourt (for Hon. Mr. Macdonald) presented Bill A, an Act relating to railways.

The bill was read the first time.

SPEECH FROM THE THRONE

CONSIDERATION ON TUESDAY NEXT

On motion of Hon. Mr. Vaillancourt (for Hon. Mr. Macdonald), it was ordered that the

speech of His Excellency the Governor General be taken into consideration on Tuesday next.

COMMITTEE ON ORDERS AND PRIVILEGES

APPOINTMENT

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

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

The motion was agreed to.

COMMITTEE OF SELECTION

APPOINTMENT

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

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

APPOINTMENT

Wednesday, January 9, 1957

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

Prayers.

Routine proceedings.

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN

The Hon. the Speaker: Honourable senators, I have the honour to present the report of the Parliamentary Librarian.

The report was read by the Clerk Assistant as follows:

To the Honourable the Speaker of the Senate:

The Parliamentary Librarian has the honour to submit his report for the year 1956.

Hon. Senators: Dispense.

The Hon. the Speaker: The report will appear in *Hansard* and the *Minutes of the Proceedings* of today. When shall the report be taken into consideration?

Hon. Mr. Gershaw: Tomorrow.

For text of report, see Appendix "A" to today's *Hansard*, p. 8.

DIVORCE COMMITTEE

REPORT OF COMMITTEE OF SELECTION
ADOPTED

Hon. Arthur L. Beaubien presented the report of the Committee of Selection.

The report was read by the Clerk Assistant as follows:

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

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

The Honourable Senators Baird, Barbour, Burchill, Cameron, Croll, Euler, Farquhar, Farris, Ferguson, Gershaw, Golding, *Haig, Hawkins, Hodges, Horner, Howard, Howden, Isnor, Kinley, *Macdonald, Roebuck, Smith (Queens-Shelburne) and Taylor (Westmorland). (21).

*Ex officio member.

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

Hon. Mr. Beaubien: With leave, I move the report be adopted now.

The motion was agreed to.

Hon. W. Ross Macdonald, with leave of the Senate, moved:

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

The motion was agreed to.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION

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

He said: Honourable senators, the Committee of Selection appointed to nominate senators to serve on the several standing committees for the present session, make their second report.

May I dispense with the reading of the names? They will appear in *Hansard* and in the *Minutes of the Proceedings* tomorrow.

For text of report see Appendix "B" to today's *Hansard*, p. 8.

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

Hon. Mr. Beaubien: Tomorrow.

SIR ROBERT BORDEN STATUE

UNVEILING CEREMONY

Hon. Mr. Macdonald: Honourable senators, I move that the report of the speeches made yesterday in the Hall of Fame at the meeting consequential upon the unveiling of the statue of the late Sir Robert Borden be printed as an appendix to *Hansard*.

Hon. Mr. Haig: I have very much pleasure in seconding that motion.

The motion was agreed to.

See Appendix "C" to today's *Hansard*, p. 8.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING
ADJOURNMENT

Hon. Mr. Macdonald moved:

That for the duration of the present session of Parliament, should an emergency arise during any adjournment of the Senate, which would in the opinion of the Honourable the Speaker warrant that the Senate meet prior to the time set forth in the motion for such adjournment, the Honourable the Speaker be authorized to notify honourable senators, at their addresses registered with the Clerk of the Senate, to meet at a time earlier than that set out in the motion for such adjournment, and non-receipt by any one or more honourable senators of such call shall not have any effect upon the sufficiency and validity thereof.

The motion was agreed to.

**CANADIAN PACIFIC RAILWAY AND
DIESEL FIREMEN**

REPORT OF CONCILIATION BOARD

Hon. John. T. Haig: Honourable senators, the report of the Board of Conciliation with respect to the dispute between the Canadian Pacific Railway Company and the Brotherhood of Locomotive Firemen and Enginemen was tabled in the House of Commons this afternoon. Would the honourable Leader of the Government (Hon. Mr. Macdonald) be good enough to table the report in this house at an early date?

Hon. Mr. Macdonald: Honourable senators, I was not in the other house when the report was tabled, but I assure the honourable Leader of the Opposition that I shall endeavour to get a copy of the report and table it in this house tomorrow.

Hon. Mr. Haig: Thank you.

CANADA—NEW BRUNSWICK AGREEMENT (INDIAN RESERVES) BILL

FIRST READING

Hon. W. Ross Macdonald presented Bill B, an Act to confirm an Agreement between the Government of Canada and the Province of New Brunswick respecting Indian reserves.

The bill was read the first time.

The Hon. the Speaker: Honourable senators, when shall this bill be placed on the Order Paper for second reading?

Hon. Mr. Macdonald: With leave, next sitting.

EXPORT AND IMPORT PERMITS BILL

FIRST READING

Hon. Mr. Macdonald presented Bill C, an Act to amend the Export and Import Permits Act.

The bill was read the first time.

The Hon. the Speaker: Honourable senators, when shall this bill be placed on the Order Paper for second reading?

Hon. Mr. Macdonald: With leave, next sitting.

NARCOTIC CONTROL BILL

FIRST READING

Hon. Mr. Macdonald presented Bill D, an Act to provide for the control of narcotic drugs.

The bill was read the first time.

The Hon. the Speaker: Honourable senators, when shall this bill be placed on the Order Paper for second reading?

Hon. Mr. Macdonald: With leave, next sitting.

**ROYAL CANADIAN MOUNTED POLICE
BILL**

FIRST READING

Hon. Mr. Macdonald presented Bill E, an Act to amend the Royal Canadian Mounted Police Act.

The bill was read the first time.

The Hon. the Speaker: Honourable senators, when shall this bill be placed on the Order Paper for second reading?

Hon. Mr. Macdonald: With leave, next sitting.

TERRITORIAL LANDS BILL

FIRST READING

Hon. Mr. Macdonald presented Bill F, an Act to amend the Territorial Lands Act.

The bill was read the first time.

The Hon. the Speaker: Honourable senators, when shall this bill be placed on the Order Paper for second reading?

Hon. Mr. Macdonald: With leave, next sitting.

Hon. Mr. Hugessen: Honourable senators, I should like on my own behalf and I am sure on the behalf of all members of the Senate, to congratulate the Leader of the Government (Hon. Mr. Macdonald) on the evident success he has attained in his efforts to obtain work for this house at the beginning of the session.

OPENING OF PARLIAMENT

**DISTURBING NOISE AT COMMENCEMENT
OF SPEECH FROM THE THRONE**

Hon. Arthur W. Roebuck: Honourable senators, I would like to call attention to something which has been going on for a long time and which I think should be corrected. I have been a member of this house since 1945, and on every occasion when we have had an opening of Parliament the representative of the Crown has been obliged to commence his speech while there was an unseemly row at the rear of the chamber. The Black Rod in his unequalled musical tones calls "Order", and that notice comes to those who sit on the floor of the house, but it does not reach the persons behind the bar; and so the row continues, more like a Donnybrook Fair than the august decorum of the Senate of Canada.

I suppose that unless somebody brings this to the attention of the proper authorities it will continue indefinitely. Nothing very much

is required to be done. If the officers of the house would even echo the call for order I think it would suffice. The persons in the lobby do not desire to be disorderly or uncomplimentary to Her Majesty's representative; they simply do not know that the proceedings are under way, and so the noise continues, making it almost impossible to hear what is being said and requiring the representative of the Crown to speak at the top of his voice to be heard at all.

If it meets with the approval of my fellow members I suggest that steps be taken—I do not care what they are, so long as they achieve results—to assure that a proper decorum is observed in this house when the Governor General commences the Speech from the Throne. I think all that is required is to have the officers out in the hall listen until the Black Rod calls for order, and then repeat the call so that the people there may have notice that the proceedings are about to begin. They will then quieten down as rapidly as we do in the chamber. This is a small matter, but, as I have said, I suppose somebody must bring it to the attention of the authorities or it will go on indefinitely.

Hon. Thomas Vien: Honourable senators, I concur in the remarks made by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). If we could accomplish what he has suggested, it would add to the dignity of the Senate and of Parliament as a whole. Most of the noise, however, comes from outside the house.

In years gone by this point has often been raised. I recall that when I was Deputy Speaker of the House of Commons we tried to influence honourable members to keep silence when coming to the bar of the Senate. But members congregating here for the opening of a session are somewhat like school boys coming back after a summer recess: they get together and exchange greetings. Although entirely in accord with the remarks made by the honourable senator from Toronto-Trinity, I cherish very little hope that an effective remedy could be found to cure the evil which he has brought to our attention.

A few other points of a similar nature could also be properly discussed. For instance, we invite ladies and gentlemen to attend the opening of Parliament. Some of them are seated on the floor of the Senate, others in the lobby behind the bar. When the members of the House of Commons congregate, they stand in front of the people sitting in the lobby, so that these people do not see or hear what is going on. When this building was designed it was intended to instal galleries along the sides of this chamber

where war paintings now hang. The galleries have remained unfinished. If they were now provided on both sides, as is done in other chambers, there would be convenient accommodation for distinguished visitors who come here at our invitation. Our guests should never be seated behind the standing members of the House of Commons.

Honourable senators, this year we shall celebrate the fortieth anniversary of the start of construction of this building, for the building was begun in 1917, although it was not opened until 1920. I would suggest that our Standing Committee on Public Buildings and Grounds take up the question of whether galleries could be provided as contemplated in the original plan. If this were done, people could be seated there and honourable members of the House of Commons would have more room.

Perhaps we could draw the attention of the Honourable the Speaker of the House of Commons to the matter complained of. When honourable members of that house come over here to attend His Excellency the Governor General or his deputy, they should show respect to the representative of the Crown by keeping silence or holding their peace until the Speech from the Throne is finished.

Hon. A. K. Hugessen: Honourable senators, I am afraid I disagree both with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable senator from De Lorimier (Hon. Mr. Vien). I should be very sorry to see the members of the House of Commons remain completely silent from the moment that they came to this chamber. I think it is a good thing that they talk, and I will tell you why. It is a tradition that we inherit from the British House of Commons, a tradition which the members of that house have for many years cherished very carefully, that they did not need to listen to the royal speech if they did not want to, and that they had the right to converse among themselves behind the bar if they so wished. That is the reason it is done; and, as one who rather likes to think that our old traditions are kept up, I should be very sorry to have any such rule made as is suggested by the honourable senator from Toronto-Trinity.

Hon. Mr. Roebuck: I said nothing about the members of the House of Commons. It may be that they have the right to make all the noise they like. I referred only to those visitors who stand behind the bar and behind the members of the House of Commons and are unaware when proceedings have commenced. I ask only that they be notified

APPENDIX "A"

(See p. 4)

REPORT OF PARLIAMENTARY LIBRARIAN

To the Honourable the Speaker of the Senate:

The Parliamentary Librarian has the honour to submit his report for the year 1956.

The Library was officially reopened on June 19, 1956, by His Excellency the Governor General of Canada, the Right Honourable Vincent Massey, in the presence of Senators and Members of Parliament. A full report of the ceremony will be found in appendices to the Debates of both Houses. Senators and Members, as represented in the Joint Committee on the Library of Parliament, inspected the restored library and expressed agreement with the Minister of Public Works who stated that "the architects and contractors had maintained the integrity of design and the ideas which were in the minds of the original architects and builders".

Members of the staff who had occupied temporary quarters in the House of Commons Reading Room, the Supreme Court building, and the Canadian Bank Note building for more than three years were able to move back to the Library in the summer and fall months.

We have to this date brought back to the Library all the official publications of the Canadian and Provincial Governments, and of the United Kingdom and Commonwealth countries, as well as those of the United Nations Organization and affiliated agencies. In addition more than 70,000 reclassified books, all our bound periodicals except newspapers, and our complete law collection are now in this building. Our bound newspapers

are now available only from the Supreme Court building, but microfilm copies of 30 important newspapers can be seen in a special room of the Library. However, much of our collection is still in the Supreme Court building. A large number of books is still in dead storage in the Dominion Bureau of Statistics building. All these will be carefully arranged in the next few months, and a decision will then be made as to which should be kept and which sent to the National Library.

The enlarged cataloguing staff have this year recatalogued 24,139 volumes, which brings to 72,259 the total to date.

During the same period our staff have answered 2,516 reference questions, and have circulated 8,335 volumes. No statistics are kept of the circulation of newspapers and magazines from the House of Commons Reading Room.

On October 13, 1956, the General Librarian, Mr. Felix Desrochers, retired. Mr. Desrochers had served the Library faithfully for over twenty-three years and will be greatly missed.

Under the provision of the Library of Parliament Act as amended by Chapter 35 of the Statutes of Canada 1955, Mr. Guy Sylvestre, Assistant Librarian, was appointed Associate Parliamentary Librarian, by the Governor General in Council.

Respectfully submitted,

F. A. HARDY,
Parliamentary Librarian

APPENDIX "B"

(See p. 4)

REPORT OF COMMITTEE OF SELECTION

Wednesday, January 9, 1957.

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

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

JOINT COMMITTEE ON THE LIBRARY

The Honourable the Speaker, the Honourable Senators Asetline, Blais, Cameron, Fournier, Gershaw, Gouin, Lambert, McDonald, Reid, Vien, Wall and Wilson. (13)

JOINT COMMITTEE ON PRINTING

The Honourable Senators Barbour, Blais, Bouffard, Bradette, Bradley, Comeau, Davies, Euler, Isnor, McGrand, Nicol, Savoie, Smith (British Columbia), Stambaugh, Turgeon and Wood. (16)

JOINT COMMITTEE ON THE RESTAURANT

The Honourable the Speaker, the Honourable Senators Beaubien, Fergusson, Haig, Hodges, Howard and McLean. (7)

STANDING ORDERS

The Honourable Senators Beaubien, Bishop, *Haig, Hayden, Horner, Howden, Inman, Kinley, Leger, *Macdonald, McLean, Pratt, Tremblay and Wood. (12)

**Ex officio* member.

BANKING AND COMMERCE

The Honourable Senators Aseltine, Baird, Beaubien, Bouffard, Burchill, Campbell, Connolly (Ottawa West), Crerar, Croll, Davies, Dessureault, Euler, Farquhar, Farris, Gershaw, Golding, Gouin, *Haig, Hardy, Hawkins, Hayden, Horner, Howard, Howden, Hugessen, Isnor, Kinley, Lambert, Leonard, *Macdonald, MacKinnon, McDonald, McGuire, McIntyre, McKeen, McLean, Paterson, Pouliot, Power, Pratt, Quinn, Reid, Roebuck, Taylor (Norfolk), Turgeon, Vaillancourt, Vien, Wilson, Wood and Woodrow. (48)

**Ex officio* member.

TRANSPORT AND COMMUNICATIONS

The Honourable Senators Aseltine, Baird, Beaubien, Bishop, Bouffard, Bradley, Campbell, Connolly (Halifax North), Connolly (Ottawa West), Daigle, Dessureault, Duffus, Euler, Farris, Gershaw, Gouin, Grant, *Haig, Hardy, Hawkins, Hayden, Hodges, Horner, Hugessen, Isnor, Jodoin, Kinley, Lambert, *Macdonald, MacKinnon, Marcotte, McGrand, McGuire, McKeen, McLean, Molson, Nicol, Paterson, Power, Quinn, Raymond, Reid, Roebuck, Smith, (Queens-Shelburne), Stambaugh, Veniot, Vien and Wood. (46)

**Ex officio* member.

MISCELLANEOUS PRIVATE BILLS

The Honourable Senators Baird, Beaubien, Boucher, Bois, Bouffard, Bradette, Connolly (Halifax North), Connolly (Ottawa West), Duffus, Dupuis, Euler, Farris, Fergusson, *Haig, Hayden, Horner, Howard, Howden, Hugessen, Inman, Lambert, Leger, *Macdonald, McDonald, McIntyre, Nicol, Quinn, Reid, Roebuck, Stambaugh, Taylor (Westmorland), Taylor (Norfolk), and Tremblay. (31)

**Ex officio* member.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

The Honourable Senators Aseltine, Basha, Beaubien, Bouffard, Campbell, Connolly (Ottawa West), Dessureault, Gouin, *Haig, Hayden, Hodges, Horner, Howard, Isnor, *Macdonald, Marcotte, McDonald, McLean, Paterson, Petten, Quinn, Robertson (Speaker), Turgeon, Vaillancourt, Vien and Wilson. (24)

**Ex officio* member.

EXTERNAL RELATIONS

The Honourable Senators Beaubien, Boucher, Bradette, Bradley, Croll, Farquhar, Farris, Fergusson, Fournier, Gouin, *Haig, Hardy, Hayden, Howard, Hugessen, Jodoin, Lambert, *Macdonald, Marcotte, McGuire, McIntyre, McLean, Nicol, Savoie, Taylor (Norfolk), Turgeon, Vaillancourt, Veniot, Vien, Wall and Wilson. (29)

**Ex officio* member.

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FINANCE

The Honourable Senators Aseltine, Baird, Barbour, Beaubien, Bouffard, Burchill, Campbell, Connolly (Halifax North), Connolly (Ottawa West), Crerar, Dupuis, Euler, Farris, Fraser, Gershaw, Golding, *Haig, Hawkins, Hayden, Horner, Howden, Isnor, Lambert, Leonard, *Macdonald, McKeen, Molson, Paterson, Petten, Pratt, Quinn, Reid, Roebuck, Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Turgeon, Vaillancourt, Vien and Woodrow. (38)

**Ex officio* member.

TOURIST TRAFFIC

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

**Ex officio* member.

DEBATES AND REPORTING

The Honourable Senators Aseltine, Bishop, Davies, Grant, *Haig, *Macdonald, McGrand, Savoie and Tremblay. (7)

**Ex officio* member.

NATURAL RESOURCES

The Honourable Senators Aseltine, Barbour, Basha, Beaubien, Bois, Bouffard, Burchill, Cameron, Comeau, Crerar, Davies, Dessureault, Duffus, Dupuis, Farquhar, Fraser, *Haig, Hawkins, Hayden, Horner, Kinley, *Macdonald, MacKinnon, McDonald, McIntyre, McKeen, McLean, Nicol, Paterson, Petten, Power, Raymond, Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt and Wood. (36)

**Ex officio* member.

IMMIGRATION AND LABOUR

The Honourable Senators Aseltine, Beaubien, Blais, Bouchard, Boucher, Burchill, Campbell, Crerar, Croll, Dupuis, Euler, Farquhar, Fournier, Gershaw, *Haig, Hardy, Hawkins, Hodges, Horner, Hugessen, *Macdonald, MacKinnon, McIntyre, Reid, Roebuck, Taylor (Norfolk), Turgeon, Vaillancourt, Veniot, Wall, Wilson and Wood. (30)

**Ex officio* member.

CANADIAN TRADE RELATIONS

The Honourable Senators Baird, Bishop, Blais, Burchill, Campbell, Crerar, Daigle,

Davies, Dessureault, Duffus, Euler, Ferguson, Fraser, Gouin, *Haig, Hawkins, Howard, Kinley, Lambert, Leonard, *Macdonald, MacKinnon, McKeen, McLean, Molson, Nicol, Paterson, Petten, Pouliot, Pratt, Smith (British Columbia), Turgeon and Vaillancourt. (31).

**Ex officio* member.

PUBLIC HEALTH AND WELFARE

The Honourable Senators Blais, Burchill, Comeau, Connolly (Halifax North), Dupuis, Farris, Fergusson, Gershaw, Golding, Gouin, Grant, *Haig, Hawkins, Howden, Inman, Jodoin, Kinley, *Macdonald, McGrand, McGuire, McIntyre, Pratt, Roebuck, Smith (Queens Shelburne), Stambaugh, Veniot, Wall and Wilson. (26)

**Ex officio* member.

CIVIL SERVICE ADMINISTRATION

The Honourable Senators Aseltine, Bishop, Bouchard, Cameron, Davies, Dessureault, Dupuis, Gouin, *Haig, Kinley, Leger, *Macdonald, Marcotte, Quinn, Roebuck, Taylor (Norfolk), Turgeon and Wilson. (16)

**Ex officio* member.

PUBLIC BUILDINGS AND GROUNDS

The Honourable Senators Aseltine, Barbour, Connolly (Ottawa West), Dessureault, *Haig, Horner, Lambert, *Macdonald, McGrand, McGuire, Paterson, Pouliot, Quinn, Wall and Wilson. (13)

**Ex officio* member.

All which is respectfully submitted.

A. L. Beaubien,
Chairman.

APPENDIX "C"

(See p. 4)

The Unveiling of the Statue of SIR ROBERT BORDEN

on

Tuesday, January 8, 1957

Speeches of the Right Honourable Louis S. St. Laurent, Prime Minister; the Honourable Wishart McL. Robertson, Speaker of the Senate; the Honourable L. René Beaudoin, Speaker of the House of Commons; Mr. Henry Borden; Mr. J. G. Diefenbaker, Leader of the Opposition; Mr. M. J. Coldwell, Leader of the C.C.F. Party, and Mr. Solon E. Low, Leader of the Social Credit Party.

Hon. Wishart McL. Robertson (Speaker of the Senate): Ladies and gentlemen, "O Canada".

(Whereupon the gathering sang *O Canada*.)

Mr. Prime Minister, Mr. Chief Justice, Mr. Speaker of the House of Commons, ladies and gentlemen: We are assembled here to do honour to the memory of a great Canadian, the Right Honourable Sir Robert Borden, a former Prime Minister of Canada. We, and the unseen audience, through the magic of television, have just witnessed the unveiling of the statue to his memory, located on a site just west of the West Block on Parliament Hill. For seasonal reasons the continuing ceremonies are being held in the Hall of Honour of the Centre Block.

Seated on the platform in addition to the co-chairman, the Honourable L. René Beaudoin, Speaker of the House of Commons, are:

Right Honourable L. S. St. Laurent,
Prime Minister of Canada
Honourable Patrick Kerwin,
Chief Justice of Canada

Mr. Henry Borden
Honourable W. Ross Macdonald,
Government Leader in the Senate
Mr. John G. Diefenbaker,
Leader of the Opposition
Mrs. Henry Borden
Honourable T. A. Crerar
Honourable George Drew
Honourable J. T. Haig,
Leader of the Opposition in the Senate
Mr. John Bracken
Mr. M. J. Coldwell,
Leader of the C.C.F. party
Mr. Solon E. Low,
Leader of the Social Credit party.

The Right Honourable Arthur Meighen, the Honourable Esioff L. Patenaude and the Honourable Albert A. Sevigny were invited to attend but expressed their regrets. They, with Senator Crerar, are the only surviving members of Sir Robert's Government.

Ladies and gentlemen, the Speaker of the House of Commons.

(Translation):

Hon. L. René Beaudoin (Speaker of the House of Commons): Mr. Prime Minister, the Honourable the Chief Justice of the Supreme Court, ladies and gentlemen, we are gathered here this afternoon to honour the memory of a Canadian who was Prime Minister of our country and who, in the course of a long and remarkable political career, rendered outstanding services: Sir Robert Laird Borden.

A few moments ago, in the presence of the present Right Honourable Prime Minister, and of the Leader of the Opposition, Mr. Henry Borden, Q.C., a nephew of Sir Robert Borden, unveiled a monument erected on Parliament Hill to remind future generations of our past glories and of the debt of gratitude which we owe to the builders of this nation.

We are therefore witnessing one of those great parliamentary occasions. The leaders of all parties unite in paying a nation's tribute to Sir Robert Laird Borden.

(Text):

Hon. Wishart McL. Robertson (Speaker of the Senate):

Ladies and gentlemen, I have the honour to present the Prime Minister of Canada.

Right Hon. Louis S. St. Laurent (Prime Minister): Mr. Co-chairman, Mr. Chief Justice, Mr. Borden, ladies and gentlemen: Just before we begin the heavy schedule of another session of Parliament, it is fitting that we should pause to pay tribute to one of the great figures in Canadian history, Sir Robert Borden.

I wish to congratulate Miss Frances Loring on the striking likeness and the excellent workmanship of the statue which Mr. Henry Borden unveiled a few minutes ago. She has expressed for the permanent records of our nation in a fashion more eloquent than words many of the fine characteristics of that distinguished statesman.

The Right Honourable Sir Robert Borden was born over one hundred years ago in the small rural community of Grand Pré, Nova Scotia, the native province of three of Canada's Prime Ministers. He is remembered particularly by us as Canada's Prime Minister during the First World War.

Much has been written about Canada's role in the first world war and no doubt much will be written in the future. This was one of the most critical periods of Canadian history. Much progress has been made since Confederation in the development of a strong and united nation, but the national fabric has never faced such a severe test and none could tell if it could withstand the strains imposed upon it.

Canadians were fortunate in those trying years to have as their leader a man of unquestionable integrity, a high sense of duty, a thoroughly trained mind and an exceptional capacity for unremitting hard work. Whatever opinions might be advanced on the policies which he pursued, his personal qualities and particularly his honesty and sincerity of purpose in seeking to serve his country well were outstanding.

Under Sir Robert Borden's leadership Canada made a contribution to the first world war which won the praise and admiration of her allies. In addition to his leadership at home, Sir Robert played an active role in the Imperial War Cabinet in London. He strove throughout the war to ensure that Canada should have a voice in the formulation of allied policy rather than limit her role to supplying men and material. With a wide and statesmanlike view of this country's capacities and her future, he sought to encourage his fellow citizens to accept their new and inevitable responsibilities.

In 1919 Sir Robert Borden was our chief plenipotentiary delegate at the Peace Conference in Paris, and in 1920 he signed the Treaty of Versailles as the representative of Canada on terms of equality with the representatives of the other allied nations. In the same year Canada was admitted as an original member of the League of Nations.

Another of Sir Robert's accomplishments at about the same time was to secure for Canada the right to have a minister plenipotentiary in Washington accredited by the King and appointed on the advice of the Canadian Cabinet. Such an appointment, however, was only made several years later. Sir Robert also suggested at the Imperial War Conference of 1918 that Canada should decide its own constitutional questions. This, as you know, was accomplished in the last few years.

In his book, "Canada in the Commonwealth", published after his retirement, he welcomed the definition of the relations of Great Britain and the dominion contained in the Balfour report as "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any respect of their domestic or external affairs, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of nations."

"The dominions having sought and gained the status of nationhood", Sir Robert wrote, "they cannot recede from assumption of its responsibilities." And in the last lines of his book Sir Robert Borden expressed his

hope that this freedom within the unity of the Commonwealth was "an earnest of what may yet be accomplished in an ever wider sphere. The league of the Commonwealth may serve as an exemplar to the League of Nations."

(Translation):

Sir Robert devoted himself to his work with such energy that even his own vast physical resources proved unequal to the task. He was obliged to retire in 1920. Fortunately, he soon recovered his good health, a fact which enabled him to continue his active life for a number of years afterwards. I had the pleasure of hearing him in 1929 when he spoke before the Canadian Bar Association in Quebec City. I well remember him and the words he spoke on that occasion. During the war it was believed in certain quarters that he did not understand those Canadians belonging to the French-speaking group, and that he had no real sympathy for them. It is perhaps for that reason that he availed himself of that opportunity to speak of the very origin of Canadian history in the heart of the province of Quebec, in that city which he called the "founding city" of Canada. When he had finished speaking, he had removed any doubts we may have had about his real sympathy for French-speaking Canadians. May I be allowed to quote the last sentences of his speech:

(Text):

On the whole there has been an honourable and wholesome co-operation of the two races in the upbuilding of Canadian institutions and in the development of the heritage with which Providence has endowed the Canadian nation. The pioneer races are and they always will be distinctive but in their origins they are much nearer to each other than either seems to imagine. It is desirable to emphasize their points of sympathy and contact rather than their divergences of temperament and outlook.

(Translation):

Those words were spoken by Sir Robert Borden more than a quarter of a century ago. Since then, our policy both internal and external, has undergone great changes. Perhaps he would not approve of them all. I am sure however that he would agree with us that we have gone a long way on the road to national maturity and unity.

(Text):

In the years since his death we have learned to have a more accurate and a deeper appreciation of a great Canadian statesman. And I am sure that all Canadians who gaze upon the statue which has been unveiled today will recall with respect his sincerity of purpose and his selfless devotion to his country.

One of Sir Robert's oldest friends and perhaps his closest collaborator, who had hoped to be here on this occasion but who is prevented by illness from being present, has written me the following letter:

360 Bay Street, Toronto
January 3, 1957

My dear Mr. Prime Minister:

I feel grateful for your invitation to be present at the coming Sir Robert Borden memorial event (January 8) but am resolutely forbidden to leave the house by my doctor. I have, therefore, prepared a very short statement of acknowledgment and regret. This I hope you will read to the assembled people.

There has been nothing in the past that I had to shrink from which I regretted like I do this failure to take my part.

I sincerely appreciate the invitation and am grateful to you personally.

Sincerely yours,
Arthur Meighen.

This is the statement enclosed with Mr. Meighen's letter.

It is with extreme remorse that I find myself ill and quite unable to attend the proceedings on Parliament Hill which are to do honour to Sir Robert Borden.

In his lifetime, Sir Robert Borden had friends unnumbered in all parts of Canada, but none, I sincerely submit, more devoted and tireless than myself and this relationship continued until the hour of his death.

To have survived until this event takes place will add much to my feelings of gratitude and satisfaction, and one cannot be wrong in indulging an inward assurance that the waves of goodwill generated here, the richer sense of unity and common purpose inspired, the pride we all have in those who have toiled nobly and passed on, that all these flaming truths will keep us resolutely on our course.

Arthur Meighen.

Hon. Wishart McL. Robertson (Speaker of the Senate): Ladies and gentlemen, may I present Mr. Henry Borden, nephew of Sir Robert Borden and one of the most outstanding Canadian figures in the business and professional life of Canada.

Mr. Henry Borden, Q.C.: Mr. Chairman, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Mr. Prime Minister, Mr. Chief Justice, distinguished guests, ladies and gentlemen: This is indeed a historic occasion and I wish, Mr. Prime Minister, to thank you sincerely for doing me the great honour and giving me the unforgettable privilege of unveiling this statue of Sir Robert Borden. I have no hesitation in saying that I dearly loved Sir Robert and my life has been enriched by the deep affection and kindness which he bestowed on me.

The statue, in the design and completion of which you, sir, have taken such a genuine personal interest, will serve to keep fresh in the minds of future generations the memory

of a distinguished Canadian statesman, of whom you have just spoken in such complimentary terms.

On behalf of Sir Robert's relatives and friends I wish to join in the Prime Minister's congratulations to Miss Loring, and to thank you, Mr. Prime Minister, and through you the citizens of Canada, for causing this wonderful memorial to be created on Parliament Hill. Thank you very much indeed.

Hon. L. René Beaudoin (Speaker of the House of Commons): Ladies and gentlemen, the honourable the Leader of the Opposition, Mr. John Diefenbaker, Q.C., M.P., will now speak.

Mr. John G. Diefenbaker (Leader of the Opposition): Joint Chairmen, Mr. Prime Minister, distinguished guests, ladies and gentlemen: First I want to join with Mr. Borden in thanking the Prime Minister for the generous terms in which he referred to the service to Canada of Sir Robert Borden. This is in keeping with the traditions of our public service. While we may disagree in matters of policy each of us must, under our democratic system, realize that it is only in a community of counsel that the best for Canada will be achieved.

I think it is most fitting that we, on this occasion, honour one of Canada's greatest statesmen. As I listened to the Prime Minister review the constitutional development of this country I thought it was a magnificent tribute from one constitutional lawyer, regarding the constitutional development of this country, in giving approval to the contribution made by another. After all, there is that bond of union amongst members of the legal profession wherein the greatness of a contribution is at all times recognized by one's fellows. It is of interest to know, too, that out of the eleven Prime Ministers of Canada, seven were members of the legal profession, all making their contribution toward the building of this country into the ideal of us all.

Mention was made of the reaction to the attitude of Sir Robert Borden and the stand he took at the Peace Conference. It was he who insisted, following the sacrifices of the war, that Canada be recognized as an autonomous nation within the family of British nations, and insisted on the right to sign the treaty of Versailles and join as a signatory of the League of Nations pact whereby Canada adopted responsibilities that heretofore had not been regarded as a necessary incident of our membership in the Commonwealth.

After all, we judge men and women first on the basis of those who served with them. This morning I found a quotation in Lloyd

George's memoirs which sets forth the attitude that was taken by Lloyd George to this man who has been honoured today in the unveiling of this statue. Lloyd George said of him this:

Canada was represented (at the imperial conference of 1917 by Sir Robert Borden who was the very quintessence of common sense. Always calm, well balanced, a man of co-operating temper, invariably subordinating self to the common cause, he was a sagacious and helpful counsellor, never forgetting that his first duty was to the people of the great dominion he represented, but also realizing that an insistent and obstructive particularism would destroy any hope of achieving success in the common task.

While it was Sir John A. Macdonald and Sir George Etienne Cartier who joined together the two great races and founded Canada, and who had still a greater contribution to make in the years to follow, it was Sir Robert Borden and those who served with him who were able to achieve that unity and that international status which many had dreamed of 50 years before. It was only achieved in the light of the sacrifices of the war.

We recognize, too, as you said, Mr. Prime Minister, the contribution of the two races to this country. With Parliament opening today it is well to remember that in 1921 Sir Robert Borden, on the occasion of the gift of the Speaker's chair from Westminster to the House of Commons, said this:

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

I think on this occasion it is well to recall those words, as this monument has been unveiled. I think all of us will agree that his monument will be tangible evidence of his statesmanship; his living monument the establishment of the principle of equality among the free nations within the Commonwealth and Empire as he saw it, and his contribution to fashioning for Canada that role which she is playing so magnificently today. Of him it may indeed be said that "he builded better than he knew."

Hon. L. René Beaudoin (Speaker of the House of Commons): Ladies and gentlemen, the Honourable the Leader of the C.C.F. party, Mr. M. J. Coldwell, will now speak.

Mr. M. J. Coldwell (Leader of the C.C.F. Party): Mr. Prime Minister, Mr. Chief Justice, distinguished guests, ladies and gentlemen: I think it is fitting that we have gathered here

today to honour the memory of a great Canadian. There are times in the lives of nations when it is well to look back and remember famous men. Sir Robert Borden was a famous and a great man. As we have heard today he was one of the architects, indeed in many respects the principal architect, of the place which Canada now has in the world of today.

Sir Robert Borden, at Versailles, insisted on the recognition of Canada as a nation. Sir Robert Borden was, in that respect, one of those who placed the British Commonwealth in its new phase. His services to this country and to the Commonwealth deserve the recognition that has been given to him today. I am very happy indeed that I am one of those who, though not sharing the fundamental principles of the party he represented, can speak on behalf of those who, while disagreeing with him in some of his policies, none the less recognize fully that in his day and in his generation he played a great part in leading this country through difficult times and in laying the foundations of the Canada which we know today.

I am very happy indeed to have had this opportunity of being present and participating in this great event.

Hon. L. René Beaudoin (Speaker of the House of Commons): Ladies and gentlemen, the honourable the Leader of the Social Credit party, Mr. Solon Low, will now speak to you.

Mr. Solon E. Low (Leader of the Social Credit Party): Messrs. Co-chairmen, Mr. Prime Minister, distinguished guests, ladies and gentlemen: I feel greatly honoured to have this privilege of participating in an event which was designed to enable us to pay tribute to a great Canadian statesman. I shall not multiply words nor repeat the things that have already been said, though I am convinced that some of them might be worthy of repetition for the sake of emphasis. Suffice it to say that I concur most heartily in all those things which have been said of Sir Robert Borden, as well as of the artist who executed the statue that has been unveiled today.

As people in the days ahead look upon the likeness of Sir Robert that is now on the grounds of Parliament, they will doubtless

be moved to study the life and accomplishments of this great Canadian. If they do, I am sure that they will discover something which will give them considerable encouragement.

Sir Robert was born in humble circumstances, and through his own effort and determination to work hard he reached one of the highest positions within the ability of the Canadian people to bestow on any man. He accomplished this without benefit of family fortune or prestige of great family power. It will occur to all who will read and learn about this Canadian that what Sir Robert accomplished many another Canadian can also accomplish if he is prepared to devote himself unceasingly and with complete honesty of purpose to his task. We may differ with many of the views that were held by Sir Robert Borden. We may be critical even of some of the things he did, but anybody who took the trouble to study his life and the motives that activated him in his public service must agree that he did have complete honesty of purpose and an integrity that can stand as an example to all who are called to serve their country. It is fitting, therefore, that an occasion of this kind be used to remind ourselves that Providence has always raised up good men to meet the needs of the particular time in which they lived.

I am sure that Sir Robert was one of those, and furthermore if our nation continues in humility to seek after things of righteousness we will always be blessed with the kind of men who can give us the leadership we need for the particular circumstances of those times.

May I say in conclusion that I honour the memory of Sir Robert Borden for all the reasons that have been mentioned here today, and in addition for the fact that he had a thoroughly disciplined mind, which he applied with singleness of purpose to the development of Canada and the British Empire. Of Sir Robert it can truly be said that he served his country well.

Hon. L. René Beaudoin (Speaker of the House of Commons): Ladies and gentlemen, I ask you now to rise and sing "God Save the Queen."

(Whereupon the gathering sang *God Save the Queen.*)

THE SENATE

Thursday, January 10, 1957

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

Prayers.

Routine proceedings.

DIVORCE
PETITIONS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented a number of petitions for divorce.

He said: Honourable senators, I have not actually counted these petitions, but there are about 280 here.

REPORTS OF COMMITTEE

Hon. Mr. Roebuck: Honourable senators, I have several reports to present from the Committee on Divorce, and perhaps I might make some comments now. Already some 293 petitions have been filed. There are, however, 418 open files. By that I mean that that number of actions has been instituted to the extent of publication of notice in the *Canada Gazette*. Publication of such notice is required of every applicant to Parliament for a Bill of Divorce. Then when the application is received a file is opened and the proceedings are under way. As I have said, 418 such files are being prepared for this session, and honourable senators will be interested to know that 161 files have already been processed to the point where the cases are set down for hearing.

The committee held its first meeting this morning and completed the necessary organizational work at this stage. I have the honour to report that the members once again expressed sufficient confidence in their chairman to re-elect him.

Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: This was duly appreciated by the recipient of that honour.

Hon. Mr. Macdonald: And by honourable senators generally.

Hon. Mr. Roebuck: Thank you.

The committee was also pleased to welcome two additions to its membership in the persons of Senator Isnor and Senator Taylor (Westmorland) who will replace the late Senators Ross and Stevenson, both of whom were faithful in their attendance and valuable members of the committee. We have already expressed our regret in that

regard, but there is no reason why we should not record it again while welcoming their successors.

I have not the exact figures, but approximately 20 to 25 cases are contested. As honourable senators know, often contested cases are difficult and take a long time to hear.

The last date for the filing of new petitions will be February 18, six weeks from the date of the opening of Parliament.

In the 1956 session there were 435 petitions. The actual number of those cases heard and recommended was 356, and 9 were rejected; 14 were withdrawn, and 56 which had not been completed were transferred to the present session.

COMMITTEE QUORUM—AUTHORITY TO SIT
DURING SENATE ADJOURNMENTS AND
TO APPOINT SUBCOMMITTEES

Hon. Mr. Roebuck: I now wish to present the committee's first report:

1. Your committee recommend that their quorum be reduced to three members for all purposes, including the taking of evidence upon oath by the committee or any subcommittee as to the matters set forth in petitions for bills of divorce.

The quorum is the same as in former years, and has applied to the committee and subcommittees ever since we adopted the present form of organization.

2. Your committee also recommend that leave be given them to sit during all adjournments of the Senate, and also during sittings of the Senate.

I hope the occasions when it is necessary to sit during adjournments will be few.

3. Your committee further recommend that authority be granted for the appointment of as many subcommittees as deemed necessary by the committee for the purpose of hearing and inquiring into such petitions for divorce as may be referred to them by the Committee on Divorce. The subcommittee in each case to report their finding to the main committee.

The Hon. the Speaker: Honourable senators, when shall this report be considered?

Hon. Mr. Roebuck: With leave, I move that it be adopted now.

The motion was agreed to.

PETITIONS SERVED AND ADVERTISED FOR
LAST SESSION

Hon. Mr. Roebuck: Honourable senators will recall that the special session of Parliament which opened on November 26, 1956 and sat four days was continued until January 8, 1957. The practice in filing a petition for divorce is to request that it be heard at the next session of Parliament. Your committee therefore submits the following as its second report:

Inasmuch as petitions for bills of divorce were not dealt with at the special session of Parliament held

in the years 1956 and 1957, the committee recommends that petitions served and advertised for the last session of Parliament be deemed and taken to have complied with the Rules of the Senate for the present session.

The Hon. the Speaker: Honourable senators, when shall this report be considered?

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

The motion was agreed to.

LEAVE TO WITHDRAW PETITIONS

Hon. Mr. Roebuck: Fortunately, in some cases the parties decide to reconcile their differences and ask leave to withdraw the petition. In our third and fourth reports we recommend that such leave be granted to the petitioners named therein, and that the fees paid under Rule 140 be refunded to each petitioner, less \$25 to apply on costs, including printing and translation costs. It sometimes happens that an application for withdrawal is made because the petition has dragged on and become obsolete. Our fourth report deals with such a petition, which was filed in 1951.

The committee's third and fourth reports were severally read by the Clerk Assistant, and on motions of Hon. Mr. Roebuck, with leave, these reports were adopted.

ADJOURNMENT

Hon. Mr. Macdonald: Honourable senators, I move that when this house rises this day it stand adjourned until Tuesday, January 15, at 8 o'clock in the evening.

The motion was agreed to.

DIVORCE COMMITTEE MEETING

Hon. Mr. Roebuck: Honourable senators, may I remind members of the Divorce Committee that the committee meets at 10 o'clock on Tuesday morning.

CANADIAN PACIFIC RAILWAY AND DIESEL FIREMEN

REPORT OF CONCILIATION BOARD TABLED

Hon. Mr. Macdonald: Honourable senators, yesterday the honourable Leader of the Opposition (Hon. Mr. Haig) asked me if I would table the report of the Conciliation Board in connection with the dispute between the Canadian Pacific Railway Company and the Brotherhood of Locomotive Firemen and Enginemen. I am tabling the report now. I have obtained about 15 copies and had them placed on the table. Any honourable senator who would like to receive a copy may obtain it from the Clerk.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION ADOPTED

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

Hon. Mr. Beaubien moved that the report be adopted.

He said: May I intimate that if any honourable senators wish to change membership on committees to which they are appointed, or if any who are not on committees wish to be appointed thereto, all they have to do is to let me know, and their requests will be attended to. There are vacancies on most of the committees.

The motion was agreed to.

APPOINTMENT

Hon. Mr. Macdonald: Honourable Senators, with leave of the Senate, I move:

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

The motion was agreed to.

JOINT COMMITTEE ON PRINTING

SENATE MEMBERS

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

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

The motion was agreed to.

JOINT COMMITTEE ON RESTAURANT

SENATE MEMBERS

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

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that the Honourable the Speaker, the Honourable Senators Beaubien, Fergusson, Haig, Hodges, Howard and McLean, have been appointed a committee to assist the Honourable the Speaker in the direction of the Restaurant of Parliament, so

far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a Joint Committee of both Houses on the said Restaurant.

The motion was agreed to.

JOINT COMMITTEE ON LIBRARY

SENATE MEMBERS

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

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that

house that the Honourable the Speaker, the Honourable Senators Aseltine, Blais, Cameron, Fournier, Gershaw, Gouin, Lambert, McDonald, Reid, Vien, Wall and Wilson, have been appointed a committee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a Joint Committee of both Houses on the said Library.

The motion was agreed to.

The Senate adjourned until Tuesday, January 15, at 8 p.m.

THE SENATE

Tuesday, January 15, 1957

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

Prayers.

Routine proceedings.

NEW SENATORS INTRODUCED

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

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

Hon. Sydney John Smith, of Kamloops, British Columbia, introduced between Hon. Mr. Macdonald and Hon. Mrs. Hodges.

Hon. William Albert Boucher, of Prince Albert, Saskatchewan, introduced between Hon. Mr. Macdonald and Hon. Mr. Crerar.

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

WELCOME TO NEW SENATORS

The Hon. the Speaker: Honourable senators, a little more than a year ago we greeted the senators who, at that time, had for the first time taken their seats in this chamber. On this occasion I feel that I cannot do better than to repeat, at least in essence, what I then said:

On behalf of the Senate of Canada, we extend the most cordial welcome to those who have now taken their seats in this chamber. You will find here, honourable senators, a pleasant atmosphere far transcending any sharp differences of opinion that may from time to time arise in the consideration of legislation. You will at times be surprised at the expedition with which legislation is disposed of, until you appreciate the fact that the Senate embraces in its membership men and women of wide experience accustomed to assess quickly the import of what comes before them. There has always existed, and will exist in the future, ample opportunity

for greater utilization of the undoubted talents and experiences possessed by members of this house over and above that required in the consideration of what comes regularly before them. You, with the great prestige and experience hitherto gained in your respective spheres of endeavour, are in a position to add materially in this respect.

We welcome you, and wish you well.

HON. J. J. DUFFUS

ABSENCE DURING TWO SESSIONS REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate the following report from the Clerk of the Senate

The Honourable Wishart McL. Robertson, P.C., Speaker of the Senate of Canada, Ottawa, Ontario.

Sir,

In compliance with Rule 104 of the Senate, I have the honour to report that on looking over the record of attendance at the sittings of the Senate by members thereof, I find that the Honourable Joseph James Duffus, one of the members for the Province of Ontario, has not appeared in his seat during any one of said sittings throughout the whole of the last two sessions of Parliament.

I have the honour to be,

Sir,

Your obedient servant,

J. F. MacNeill,

Clerk of the Senate.

Hon. Thomas Reid: Honourable senators, may I be permitted to rise on a question of privilege on the point that has been raised in the report just read? This goes to show that when a rule is made one is not always aware of how it will operate. I understand that under the Rules of the Senate if an honourable senator does not attend for two sessions he has to resign; but let me point out that one of the sessions referred to in this report lasted four days only. Yet that counts as a session, short though it was.

Hon. Mr. Howard: We did not have a session of four days. Parliament sat for four days and then adjourned for more than a month.

Hon. Mr. Reid: My information is that Parliament sat for only four days. And I remember that some years ago a session of Parliament was opened and closed within half an hour. That also was considered a session.

I bring up the point to show how a rule of this kind can operate against an honourable senator. I hope that note of the point I raise will be taken by the honourable leader (Hon. Mr. Macdonald).

Hon. Mr. Macdonald: Honourable senators, I should point out that we are bound in this

instance by the British North America Act, which provides, in section 31, as follows:

The place of a senator shall become vacant in any of the following cases:

(1) If for two consecutive sessions of the Parliament he fails to give his attendance in the Senate;

That is the Constitution, and we are bound by it. If it were a rule of the Senate this body could change it, but it is much more difficult to change the Constitution.

May I say to the honourable senator from New Westminster (Hon. Mr. Reid) that I am sure each one of us feels very badly, just as he does, that we are required by the Constitution to follow the procedure that we are following tonight. It brings a great sorrow to me personally to have to do so, because I entered Parliament on the same day as Senator Duffus. However, we are bound by the Constitution.

As to the length of the last session, I would point out that it opened on the 26th of November, and after a number of sitting days, it was adjourned and continued to be in existence until the 8th day of January of this year. Although there were not many sitting days, the session did last considerably longer than a month.

In any event, we are bound by the British North America Act and the Rules of the Senate. Therefore, with leave of the Senate I move:

That the Clerk's report relative to the absence of the Honourable Joseph James Duffus during two consecutive sessions of Parliament be referred to the Committee appointed to consider the Orders and Customs of the Senate and Privileges of Parliament: the Committee to meet in this chamber at a quarter of three o'clock in the afternoon of Thursday next.

The motion was agreed to.

CANADA SHIPPING BILL

FIRST READING

Hon. Mr. Macdonald presented bill G, an Act to amend the Canada Shipping Act.

The bill was read the first time.

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

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

CURRENCY, MINT AND EXCHANGE FUND BILL

FIRST READING

Hon. Mr. Macdonald presented bill H, an Act to amend the Currency, Mint and Exchange Fund Act.

The bill was read the first time.

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

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

CANADA'S ECONOMIC PROSPECTS

REPORT OF ROYAL COMMISSION TABLED

Hon. Mr. Macdonald: Honourable senators, I beg leave to table copies in English and in French of the preliminary report of the Royal Commission on Canada's Economic Prospects, dated December, 1956. I believe a copy of this report has been distributed to each member of the Senate.

Hon. Mr. Haig: Would the honourable Leader of the Government (Hon. Mr. Macdonald) please instruct the appropriate official to furnish additional copies of this report to honourable senators? I should like very much to use one or two more copies and I have none available.

Hon. Mr. Macdonald: I shall endeavour to obtain a number of additional copies for honourable senators.

PRIVATE BILL

CANADIAN NATIONAL RAILWAYS WAR VETERANS' ASSOCIATION—REFUND OF FEES

Hon. Mr. Golding moved:

That the parliamentary fees paid upon a proposed bill at the third session of the Twenty-Second Parliament, to incorporate Canadian National Railways War Veterans' Association, be refunded to James C. Neilson, of Stratford, Ontario, solicitor for petitioners, less printing and translation costs.

He said: Honourable senators, I should like to give a brief explanation of this motion. In July, 1955, a petition was filed in the Senate in this matter and certain fees were paid. In August of 1956 a communication was received from the solicitor for the petitioners stating that at a meeting of the Canadian National Railway War Veterans' Association a resolution was passed directing that no further action be taken with respect to the private bill. No action was taken by the Senate at all, and consequently the association, through its solicitor, is requesting that the parliamentary fees paid upon the proposed bill be refunded, less printing and translation costs.

The motion was agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

The Senate proceeded to consideration of His Excellency the Governor General's

Speech at the opening of the Fifth Session of the Twenty-Second Parliament.

Hon. Henri C. Bois moved:

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

To His Excellency the Right Honourable Vincent Massey, Member of the Order of the Companions of Honour, Governor General and Commander-in-Chief of Canada. May it please Your Excellency:

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

He said: Honourable senators, first of all I wish to thank you for your hearty welcome and spontaneous display of friendship shown to me when I first came into this chamber. I shall address the house in French, for honourable senators will easily realize that I feel much more at home when speaking in my mother tongue.

(Translation):

Honourable senators, the speech from the throne contains the following paragraph:

It is proposed to recommend in the Senate the establishment of a committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

The governments have always taken an interest in Canadian agriculture, but it is the first time that such a definite proposal is made to consider the agricultural future of Eastern Canada.

Here and there in Canada, and particularly in the East, there are districts where the land, which was not very fertile initially or which has become exhausted through agricultural abuses, cannot give a reasonable income to its owners. This is nothing new. There have always been lands which, after having been cleared, were found incapable of producing a satisfactory income. During the war and post-war period, they were rather profitable but when came the time for making adjustments, operating costs were often greater than the income produced. The explanation is evident when one considers what has taken place between 1946 and 1951 especially, and again between 1951 and 1956.

After the war, agricultural production in the world was 5 per cent below its pre-war position, although the world's population had increased by about 10 per cent. Europe, North Africa and Soviet Russia's agricultural production had dropped from a third to a quarter, but North America's had increased by one third. During the six to eight years which followed the return of peace, the demand for foodstuffs was therefore very heavy.

The financial help given by the Allies, and by the United States in particular, allowed devastated countries to purchase essential food. So that Canada's agricultural exports were very high. About 30 per cent of the grain produced in our country and 13 per cent of our total agricultural production was sold overseas.

But from 1950-51 on, the rehabilitation of farming in the devastated countries allowed them to become self-sufficient and by 1950 their pre-war level was reached, while four years later it was exceeded by 10 per cent.

And every year since 1951 our exports first became stabilized and then began to fall. Agricultural prices also suffered. Thus, while in 1946-47 our cheese exports amounted to 59 per cent of production, in 1954-55 they were only 9 per cent. Evaporated milk dropped from 12 per cent in 1946-47 to 2 per cent in 1954-55; beef, from 9 per cent to 5 per cent over the same period; pork, from 28 per cent to 8 per cent; eggs from 19 per cent to 2 per cent. On the whole, grain excluded, our exports dropped from 13 to 5 per cent in 1954-55, as compared with 1946-47. Grain followed an inverse trend, exports having increased from 29 per cent in 1946-47 to 38 per cent in 1955-56, but in the case of our other important products, exports fell.

Domestic demand, notwithstanding the population's natural increase and its increase through immigration, could not absorb our increasing agricultural production. Farmers, attracted by the 1946-51 level of prices endeavoured to increase production but as in the case of plants and animals agricultural production follows a biological cycle, their attempts to increase production for the most part bore their fruit at a time when our markets' absorbing capacity was decreasing. And the farmers whose farms were expensive to operate were drawn towards industrial or other employment which offered them better incomes because after the war, industry, after hesitating for a while, also launched a large development program. So much so that from June, 1951 to June, 1956, the number of people employed in agriculture fell from 997,000 to 804,000, a reduction of 19 per cent; the number of farms dropped from 612,000 to 544,000 and the number of farmers' sons and daughters working on the farm decreased from 273,000 to 167,000, or by 39 per cent.

Because of these various reductions in farm labour, the production of those who remained on the farm increased over the 1951-56 five-year period by about 30 per cent. It would therefore seem that from the

end of the war to the 1950's there were too many people producing foodstuffs, because the disappearance of our export markets coincided with the rapid spread and increasingly generalized use of modern agricultural machinery. In other words, the farmers' productivity had greatly increased.

During the last few months, prices seem to have become stabilized. For the first time in about four or five years, domestic consumption has practically absorbed our butter production. And many economists believe that the demand for agricultural products will increase each year by 2 to 3 per cent. Our farmer's productive capacity can easily keep pace with that increase. On the whole, the agricultural picture is improving and there seems no reason to fear the sort of exodus which has been going on over the last ten years. We may even have to import certain products, like beef, for instance. Agriculturists should become increasingly efficient; they should produce more per hour of work.

If in twenty years' time our population is to reach 25 million, our per capita production should increase by about 75 per cent over what it has been these last few years. This means that our farm acreage should increase by about 20 to 25 per cent, our livestock by about 50 per cent and the production capacity of agricultural machinery by about 40 per cent. These figures are based on constant dollars.

I recognize that these are cold figures. They are the result of tabulations prepared by agricultural economists, in particular by Mr. E. C. Hope who submitted them to a meeting of the British Columbia Agricultural Federation, held in November, in Chilliwack. Mr. Hope's figures are very much the same as those reached by our economists working on the same problem. Needless to say they apply to the whole country. Ever since the appointment of a Senate committee has been mentioned, most people seem concerned with the agricultural land of Eastern Canada, located, I believe, in the district which lies between the Appalachians to the south and the Laurentian foot-hills to the north, or in the outskirts of the Canadian shield. I cannot even in a cursory manner, review the conditions existing in certain parts of the province of Ontario or the Maritime provinces. I shall limit myself to the conditions existing in a wide area of the province of Quebec, because I am more familiar with that province and with the agricultural conditions prevailing in some of its parts.

The 1951 census indicates that there are in Quebec, in round figures, 134,000 farms averaging 125 acres each. But 41.9 per cent of these farms are made up of woodlots, tim-

ber lands, marshes or stoney land. The productivity of this farm land is negligible, except in the case of timber land, wood lots and maple bushes. Therefore, this leaves an average of only 72.5 acres, in round figures, from which a reasonable income can be expected.

But the same 1951 census indicates that there were at that time 23,857 farms of less than 70 acres. A 70-acre farm can support its owner if it is intensively cultivated and particularly if it is used to produce fruit, vegetables, etc. But it is dairy farming and its side lines which is the most popular agricultural operation. In order that a farmer and his family may have an average yearly net income of, let us say \$1,800, it takes about 50 head of cattle—and that means 25 to 30 milking cows, the remainder being heifers of two or three years old and calves—and about 150 acres of cultivated land on a well-kept farm. Otherwise, capital investments are not in full use. In 1951, the average Canadian farm was worth \$10,517, distributed as follows: farm buildings and land, \$6,305; machinery and equipment, \$1,678; livestock, \$2,534; that is 61, 16 and 24 per cent respectively of the farm's total value. This is evidently out of proportion. A large part of such investment is only indirectly productive, such as machinery and equipment, buildings, etc. Farm buildings ordinarily represent about \$3,000. Even if the land were considered as directly productive, the total capital investment produces very little because of the reduced acreage under cultivation,—72 or 73 acres,—unless, I repeat, the farmer goes in for extensive livestock or vegetable production. But this rarely happens.

And where do we find these rather poor lands which are better suited to forestry than agriculture? Of ancient geological origin, they are located on rugged terrain; therefore, they suffer from leaching and usually the acid soil requires, to become productive, a great deal of fertilizers and soil amendments. They are found in the foot-hills of the two mountain ranges which cross the province, the Alleghanies to the south and the Laurentians to the north. Operation of these farms raises the greatest problems and calls for the ingenuity and knowledge of the best agriculturists. Because of the restricted area of arable land and poor yields, the owners of these farms can count on very little income and cannot, therefore, enjoy a standard of living comparable to that of a semi-skilled labourer.

Some families, of course, leave excellent farmlands, but most of those who leave the farm come from the poorer districts. A sound agricultural policy should therefore aim at returning to the forest the lands suitable for

the production of timber. The forest-farm plan, or forestry establishment, should allow the occupant to enjoy the benefits of modern life. But in carrying out these plans, it should be remembered that many of these parishes, already organized as regards municipality, school and church, are often burdened with debts. Something should be done to see that they honour their obligations, unless we could some day discover a type of production suited to such lands. This has happened in the past; barren sandy lands, around Joliette for instance, farms which once sold for \$1,000 or \$2,000, when turned over to the production of flue-cured tobacco, became prosperous farms, whose value increased tenfold.

I look forward to the time when the committee mentioned in the speech from the throne will consider this problem and, following the best agricultural technique and drawing upon the latest findings of agricultural sciences, will suggest solutions that are fair to every one. The people who live in these sections of our agricultural domain are able to work and willing to learn. The occupant of a farm rarely refuses to co-operate when a method of work or system of operation is suggested to him which lies within his financial means and which might enable him to obtain a reasonable income.

There is no point in leaving things in their present condition. Men and lands deteriorate. Let us not assume too hastily that the operators are not competent because the land is unproductive.

The agricultural policies of a country usually form part of the general program. It is obvious that the general program and the agricultural policies are based on the economic, social or philosophical concepts. I shall not discuss the concepts on which national policies may be based and all those which may influence agricultural policies. I must point out, however, that we must strive, in all fields of human endeavour, to achieve the harmonious development—with just results—of our natural and human resources. Whether or not the eastern section of the country should rely on industry first of all, and on agriculture in the second place is unimportant. It is a well-known fact that industry should depend on agriculture and give it some support. And agriculture policies can only be based on research and on an analysis of the situation in the light of the most advanced knowledge. Only in this way can a field of endeavour be examined, understood and policies adapted thereto.

Research must not be limited to the economic aspect of agriculture; it must also take into account its social and national features. Undoubtedly, production must take

care of the market requirements. Furthermore, the best techniques must be introduced and generalized by all available means. But at the same time, it is important that the type of farmers found in the east and throughout the country be retained on the farm, for they are land owners and heads of the ideal families, those who earn their daily bread by pooling their efforts.

However, quick results must not be expected. Agriculture is a time-consuming industry. It is governed by its own laws which frequently are rigid, inflexible. It is a biological process. It follows that true agricultural policies must be long term ones. They must provide for orderly management and wise spending.

In 1953, Canadians bought \$3,750,000,000 worth of foodstuffs; food worth \$400,000,000 was imported from foreign countries. It seems to me that if our farmers received the attention, the care and the consideration which they deserve, they could supply a part of these \$400,000,000 worth of imports. However, we must not delude ourselves in regard to the possibility of supplying the whole domestic market. It is obvious that agriculture in the east and elsewhere must be placed on a competitive basis and properly directed.

Therefore, I am very happy to find that at long last the agricultural problems of eastern Canada—inasmuch as the work of the committee will bear on this aspect of the problems—will be given attention by the Government of Canada. It must be realized by all that agriculture like any other activity must depend on research, a study of the markets and education.

(Text):

Hon. Senators: Hear, hear.

Hon. Sydney J. Smith: Honourable senators,—

Hon. Senators: Hear, hear.

Hon. Mr. Smith:—it is a pleasant duty and a great honour for me to second the motion to adopt the Address in reply to the Speech from the Throne. I must admit that when I received the invitation to do so I was nearly overcome with surprise and joy. There was a considerable mixture of fear there too—fear that I would not do credit to the high office to which I had been appointed until I had become acquainted with the atmosphere and surroundings of this place.

However, I am not a total stranger to some honourable senators, and that brings me a lot of comfort. I am very glad to find myself again associated with Senator Nancy Hodges, who was Speaker of the Legislative Assembly of British Columbia when I had the honour of representing the provincial riding of Kam-

loops. I was very fortunate and honoured that Senator Hodges was available to escort me on my first entry into this chamber. I also feel very happy at finding myself in the company of Senator Farris and Senator McKeen—both of whom, like myself, are graduates of the British Columbia Legislative Assembly—and the other British Columbia senators, Senator Turgeon and Senator Reid, whom I am proud to number among my personal friends. As for those honourable senators whom I have not previously known, their warm welcome has brought me great comfort and relief from the fear which I experienced at first. I am sure I will find here an understanding and tolerance that will help me to make this new era in my life very much worth while.

Let me say, honourable senators, that it will be my lifelong objective to justify my appointment to this upper house by maintaining the high standard of dignity of the Senate and to bring honour and credit to this body, as well as to the beautiful and bountiful region which I represent, the Interior of British Columbia.

As time goes on I hope to be able to make a worthy contribution to many of the discussions of this house on various subjects of public interest, but at this time I propose to content myself with dealing very briefly with only two or three matters that are of particular interest to me at present.

First, I will deal with one of the newer subjects of public interest, the Gordon Economic Commission report, with particular reference to one of its recommendations. We have heard and read many comments on some of the highlights of that report, but I have yet to hear any comment on the particular recommendation which has to do with the raising of licence and other fees borne by motorists and truckers. Having a long experience in the automotive field, I know that there are many friends of mine across Canada who will be anxiously waiting to see if I am going to do my stuff as they consider it should be done. In all seriousness, I do think that that particular item in the report is worthy of very careful consideration. I am not unmindful that the Gordon Economic Commission was composed of a group of outstanding Canadian specialists who spent many months in the study of the details that went into that report, and it is not entirely fair to jump to hasty conclusions and judge the report hurriedly, but I do feel that a great many Canadians have little or no idea of the substantial contribution already being made to the public purse by the motorists and truckers of this country. They have been an easy mark; it has been an easy matter to col-

lect taxes from them. The motorists and truckers pay a very large proportion of taxes collected at every level of government—the municipal, the provincial and the federal.

According to the latest figures available we find that the provinces of Canada, on two items alone, those of registration and gasoline taxes, collect a total of about \$350 million yearly. And then, in the federal field, the excise tax and the sales tax collections amount to another \$175 million annually. To this must be added the federal sales tax on gasoline and other petroleum products. So that Canadian motorists and truckers are contributing in the provincial and federal fields alone a sum in excess of \$600 million in taxes per annum. That is a terrific amount of money. It is not so many years ago that the total federal budget did not exceed that figure.

In recent years there has been a tremendous change in the use of the automobile. Not long ago it was classed with jewellery and perfumes as a luxury. In recent months it has been established that well over 80 per cent of the mileage done by passenger cars in Canada is on essential work, and certainly 100 per cent of truck mileage is in the same category. So there has been a very great change from the time when the automobile may and could have been regarded as a luxury, to this day, when it fills so important an economic need in the whole scheme of things.

I would suggest that before there is any thought of increasing the tax burden on motorists and truckers, careful consideration should be given to a better distribution of the tax load. Other fields of taxation may be found wherein collections would be just as easy as from the people who constitute the motorists of this country.

There is another matter on which I should like to touch, although I hesitate to do so in the presence of the honourable senator from New Westminster (Hon. Mr. Reid). He had not arrived in the city, or I had not seen him, when I decided to say something on this subject. I am looking forward to hearing a lot more about it from him. I am intrigued with what has been accomplished by those with whom the honourable senator from New Westminster and our Minister of Fisheries have been associated in consummating very recently what has been called the "Pink Salmon Treaty". This measure is of tremendous importance to the fishing industry, which, again, plays a great part in the general economy of the Pacific coast province.

For several years Canadian fishermen and the industry on the Pacific coast considered that there should be an international agreement with the United States for the conserva-

tion and management of the important pink salmon runs of the Juan de Fuca-Fraser River area. The successful operations of the International Pacific Salmon Fisheries Commission in rehabilitating the sockeye salmon runs of the area gave reason and impetus to the views of the Canadian industry.

Informal discussions between officials of the Governments of Canada and the United States were carried on, and subsequently Canada formally invited the United States to meet for the purpose of negotiating a new agreement to cover Pink salmon. These negotiations took place in Ottawa, in October 1956, and culminated in an agreement to include pink salmon in the existing Convention for the Preservation and Conservation of Sockeye Salmon of the Fraser River area. The protocol amending the existing convention provides that:

1. The International Pacific Salmon Fisheries Commission will, in addition to sockeye salmon, manage and regulate the pink salmon fishery of the area.

2. The catch of pink salmon, like sockeye, will be divided 50-50 in so far as practicable between the fishermen of both countries.

3. Scientific investigations will be carried out by the International Pacific Salmon Fisheries Commission. Scientific investigations outside the convention area (described in the convention) will be carried out by the national research agencies of the two countries.

4. The Industry Advisory Committee to the Commission shall be increased to six members from each country, representative of various branches of the fishing industry.

5. The representatives of the two countries will meet in the seventh year after coming into force of the protocol to examine the results of the scientific investigations and to determine what further arrangements for the conservation of pink salmon stocks of common concern may be desirable.

In former years Canadian fishermen took only about 30 per cent of the total catches of pink salmon from the Juan de Fuca-Fraser River area. In recent years, however, the Canadian catch increased to 40 per cent and in 1955 to 45 per cent. This increase in catching efficiency by Canadian fishermen made it apparent to the United States that in the common interest it would be desirable to join with Canada in managing and regulating the pink salmon runs of the area. The total landed value of the pink fishery of the area, the heavy runs occurring in the odd-numbered years, amounts to twelve to fifteen million dollars annually.

I repeat that I shall be very glad to hear further concerning this from the honourable senator from New Westminster, because it is an item of very great importance on the Pacific.

So far, honourable senators, I have discussed matters which have largely to do with monetary and material standards. The subject on which I would like to touch in conclusion is of a different character, involving humanitarian and spiritual values. I refer to the extension of assistance to Hungarian refugees by Canada.

I am quite aware that this was a major subject in the deliberations of Parliament in November last; and I am delighted that the Government were given the green light to go ahead and extend assistance to these people who had been, and still are, holding the front against tyranny and doing an amazing job under very difficult circumstances. From the relatively few Hungarians who have come into our midst it has been possible to learn a great deal that is good for Canada and for the individual Canadian. But I fear that, while our Government have done admirably in carrying out the instructions they received, there is on the part of many people a lack of interest in grasping this opportunity to share in a great humanitarian work.

I speak from having had personal experience with some of these refugees. It is rather pitiful that some of our provinces have not yet committed themselves to the federal Government program, for this Hungarian problem offers a grand opportunity for all Canadians to participate in a humanitarian and Christian undertaking that will pay off tremendously on both an individual and a national basis. I am hopeful that the program now so well under way will not be slowed down, but, if anything, accelerated. This country can absorb a lot of immigrants, and I think people are ill-advised who criticize the Canadian Government for bringing in and spending money on Hungarian refugees, claiming that the money is needed elsewhere. I do not think any of us are suffering to the extent that we should refrain from carrying out this federal program. I hope that before it has been completed most Canadians will have participated to the point of personal sacrifice, for that is how the lesson of just what freedom means will be brought home. We can find out what an

THE SENATE

Wednesday, January 16, 1957

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

Prayers.

Routine proceedings.

THE LATE EARL OF ATHLONE

TRIBUTE TO MEMORY OF FORMER GOVERNOR GENERAL

Hon. W. Ross Macdonald: Honourable senators, before proceeding with the business of the day, I wish to draw to the attention of honourable senators the sad news which we heard a few hours ago, that the Earl of Athlone had passed away. Honourable senators will recall that the Earl of Athlone was Governor General of Canada from 1940 until 1946, during the war. Both he and Princess Alice did not spare themselves in any way whatsoever in the service of Canada during those tragic and very difficult years.

It is interesting to note that in 1914 the Earl of Athlone was designated to the office of Governor General of Canada. However, in that year the First World War broke out, and instead of coming to Canada he served throughout that war on the battlefields of France and Flanders.

The passing of the Earl of Athlone will be deeply mourned in Canada and throughout the Commonwealth. By way of tribute to his memory, and as a mark of our deepest sympathy with Princess Alice, as well as of respect for our beloved Queen and all the members of the royal family, I would suggest, with the concurrence of the honourable Leader of the Opposition (Hon. Mr. Haig), whom I have consulted in this matter, that we rise at this time and stand briefly in silence.

Honourable senators thereupon stood during a period of silence.

STANDING COMMITTEES

QUORUMS REDUCED

The first report of each of the following standing committees, presented by or on behalf of its Chairman, recommended that its quorum be reduced as follows:

The Committee on Banking and Commerce, (Chairman, Hon. Mr. Hayden), quorum nine members.

The Committee on Transport and Communications, (Chairman, Hon. Mr. Hugessen), quorum nine members.

The Committee on Canadian Trade Relations, (Chairman, Hon. Mr. McLean), quorum seven members.

The Committee on External Relations, (Chairman, Hon. Mr. Gouin), quorum seven members.

The Committee on Standing Orders, (Chairman, Hon. Mr. Bishop), quorum three members.

The Committee on Tourist Traffic, (Chairman, Hon. Mr. Isnor), quorum seven members.

The Committee on Miscellaneous Private Bills, (Chairman, Hon. Mr. Bouffard), quorum seven members.

The Committee on Immigration and Labour, (Chairman, Hon. Mrs. Wilson), quorum seven members.

The Committee on Finance, (Chairman, Hon. Mr. Hawkins), quorum nine members.

The Committee on Public Health and Welfare, (Chairman, Hon. Mr. Veniot), quorum seven members.

The Committee on Public Buildings and Grounds, (Chairman, Hon. Mr. Dessureault), quorum five members.

The committee on Debates and Reporting, (Chairman, Hon. Mr. Davies), quorum three members.

The Committee on Civil Service Administration, (Chairman, Hon. Mr. Marcotte), quorum seven members.

The Committee on Natural Resources, (Chairman, Hon. Mr. Vaillancourt), quorum nine members.

On motions, made with leave, the reports were severally adopted.

INTERNAL ECONOMY COMMITTEE

Hon. Mr. Macdonald presented the report of the Standing Committee on Internal Economy and Contingent Accounts, recommending that its quorum be reduced to seven members.

Hon. Jean-François Pouliot: Honourable senators, before this report is adopted I wish to express my appreciation to both leaders of the house, to the honourable Senator Dessureault, the honourable Senator Connolly (Ottawa West) and all my colleagues for the good work that has been done by this committee to improve conditions in the Senate chamber. I hope the committee will continue its good work, for there still are some things to be done. I trust that with good will and perseverance the physical appearance of the chamber will be improved in the near future.

Hon. Mr. Macdonald moved, with leave, that the report be adopted.

The motion was agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—
DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. John T. Haig: Honourable members,—

Hon. Senators: Hear, hear.

Hon. Mr. Haig:—It occurred to me, while listening to the very fine addresses of the mover (Hon. Mr. Bois) and the seconder (Hon. Mr. Smith) of the motion for the Address in reply to the Speech from the Throne that I have never had the pleasure of either moving or seconding such a motion. I was delighted with both speeches, and although I could not follow the language of the mover, as I would like to have done, I could certainly follow that of the seconder. When he stated that he had been a member of a provincial Legislature, I had a friendly feeling toward him, for I am one of those who do not amount to much in this house because of having come from merely a Legislature. Members of the House of Commons are prone to look down on us fellows. I am glad, therefore, to see another recruit to our ranks. We welcome him most heartily, not only for himself, as a person, but because he has the distinction of having been a member of the Legislative Assembly of his province of British Columbia.

Before I deal with the Speech from the Throne, I want to say that my association with the honourable Leader of this house (Hon. Mr. Macdonald) during the past few years has been most happy. I have enjoyed that association very much. To my mind it is very gratifying that men and women in a body such as this can carry on discussions, even when taking distinctly opposite sides, in a spirit of good fellowship; by so doing something is accomplished for themselves, if not for anyone else. Now, I would like to make one or two suggestions to the honourable leader but I do not wish to cause him to rise and state whether I am right or wrong. It appears that by about April 6 or 7 of this year Parliament will be prorogued, and that a day or two later it will be dissolved, and that we shall be into a general election on June 17, 1957. Considerable legislation is al-

ready on the Order Paper for consideration. I congratulate the honourable leader upon having succeeded with the Government and its ministers in getting that much legislation to deal with here, so that we may have something tangible to do. I suggest to the honourable leader that we push ahead with this legislation as soon as possible, to get it over to the other house in time for action to be taken on it there. I think there will probably be a dissolution of the House of Commons not later than April 10, which means that only about three months remain for the passing of legislation in both houses.

I now come to the Speech from the Throne. It contained a slight reference to the recent strike by locomotive firemen against the Canadian Pacific Railway. The strike has been settled or postponed until a judges' report is made by October, and the matter will come up for consideration at some future date, so I will say nothing further about it now. However, may I stress this point, that whether we are pro-labour men or anti-labour or on neither one side nor the other, we must bear in mind that we live in a democratic country. A great many of our disputes are settled by the courts of this country, and when a matter has gone as far as it can in our courts we accept the final judgment as the law of the land, although of course it can be changed by Parliament, or, in the case of a provincial matter, by the Legislature concerned. There are some disputes between labour and capital that I feel cannot be settled in the ordinary way. Many of them can be so settled, and there is no objection to that. However, matters affecting the country as a whole—such as, for instance, those having to do with railroads or hydro-electric power, or other industries which are nation-wide, it seems to me, have to be dealt with by some method better than a strike. I am not criticizing one side or the other in the recent dispute; in fact, if I had been directly concerned in one side or the other I probably would have been in favour of what that side did. But my point is that we need to take the next step to progress. The recent strike brings home to us the fact that we have to devise a better system, whatever it may be, to settle railway strikes, than one which disrupts transportation across our country and is very bad especially in the middle of winter, for scattered territories lying outside of the provinces of Ontario and Quebec.

Honourable senators, I should like to have discussed war expenditures today, and I must be quite candid and say that for the last three or four years I have been worried because of the amount of money we are spending at present. The year before last, and

again last year, I thought there should be a reduction in such expenditures. I had a note on my memo pad to speak to that effect today, but on thinking the matter over last night and this morning I came to the realization that our world is not any more settled than it was five or ten years ago. I think the world is in a turmoil which is not understandable to any of us, and, that we smaller nations have to do our best to be ready if a crisis occurs. As the honourable member from Kamloops (Hon. Mr. Smith) mentioned yesterday, people from Hungary, who have come to all our cities, towns and villages, are telling us what they have suffered in their native country. Their sufferings have been absolutely unbelievable. Students at their schools and universities were so inoculated with the idea of freedom that they would stand up, fight and face sure death when they rebelled against the government of their country. I am persuaded that under similar circumstances our boys and girls would do exactly the same; I have that confidence in them. For that reason, we must be prepared to stand for freedom wherever it exists. In my home city of Winnipeg—and I am not boasting about Winnipeg, for perhaps we have not done so well as some other cities, but we have done a bit, in spite of certain difficulties such as a very cold climate; and it requires a good deal of preparation to take care of people, especially at this time of the year—in Winnipeg our people are as one in their determination that the refugees from Hungary will not only receive temporary accommodation but will have a chance to earn a living here. This is not because they are Hungarians—for we would do the same for British, French or any other refugees in these circumstances—but because they are heroic people, who were prepared to die in order to demonstrate to the world that the Russians could not crush freedom. Therefore, honourable senators, I am not going to press for a decrease in our war expenditures.

I should like to deal next with the great Middle East problem. Late in last November we had a special session of Parliament, which I call the Suez session, at which this matter was fully discussed. However, recent statements by the President of the United States and politicians in that country indicate to me that the difficulties in the Middle East are far from solved, and that something will have to be done to meet them. I am not in a position to suggest what part we in Canada can take in the solution. I do congratulate our Government upon what it has done by way of suggesting a temporary solution of the problem. But we should realize, as did Britain and France, and as the United States now realizes, that the day must come when the

people of the Western world will give to the people of the Middle East some guarantee of their freedom of life in that area.

I am not at all sure that Nasser's idea of using the United Nations to further his own purpose was a good one. Certainly I was disappointed in the United Nations when it passed a resolution condemning Britain and France for doing certain things, but failed to take similar action against Russia for the things it did. True, the U.N. has said it could not do anything in that respect. In any event, the fact is that nothing was done, and the Middle East situation is far from settled.

I believe, honourable senators, that the people of Canada are of the opinion that we have a certain responsibility for the peace of the world. While we are not a large nation, we are an important one, and we cherish strong ideals about freedom and proper dealings between peoples and nations. A small nation like ours has more opportunity to help in the solution of international problems than we sometimes realize. It is our duty, therefore, as members of the Senate of Canada, to help put forward the cause in which we believe. I hope that no party to which I belong or have anything to do with will ever use the international situation for its own gain, or for anything but the benefit of Canada and the world as a whole.

I should like to turn next to the more homely subject of inflation. An editorial in the *Winnipeg Free Press* of January 9 with respect to the Speech from the Throne contained this sentence:

First—and negatively—it lacked any ringing declaration about the need to combat inflationary pressures.

What are the facts of the case with respect to inflation? Up to 1949 the cost of living index was calculated on the basis that 1935-39 equalled 100. On that basis the index in 1949 had risen to 160.8. In that year the Government, rightly or wrongly—and I think wrongly—cut the basis for the index back to 100 as of that time. Our present index stands at 120.4. If the index were calculated on the original basis that the period 1935-39 equalled 100, it would today stand at 193.4. In other words, it would now take \$1.93 to buy goods that could be bought in 1939 for \$1. That is straight inflation.

The Government has taken some steps to meet that situation by trying to control the interest rate on borrowed money. It has raised the discount rate of the Bank of Canada, first on an arbitrary basis, and now according to a formula which has been adopted. The banks and loan companies have followed this system. Consequently, we have to pay a higher rate of interest on the money

we borrow. For instance, the Province of Manitoba pays 5½ per cent on money it could have borrowed two years ago for 3½ per cent. The Province of Ontario is also paying 5½ per cent; the Hydro-Electric Power Commission of Ontario pays 5¾ per cent; and various companies are paying as high as 5¾ per cent on \$100 bonds discounted at \$98. In other words, the cost of money has practically doubled in the past three or four years.

One hears it said that there will be a good deal of building done in Canada this year. That is simply not so, because capital is not available. The money will go for other purposes, which will yield a more profitable return.

I would like to say something here about the effect of inflation on our trade, for this is the real economic problem facing the people of Canada. Some people tell us that the Government is taking over the control of money; that other countries are investing large sums here and things will turn out all right. That philosophy has been preached for the past two years, but the inflationary trend continues. I intend to give some figures which will indicate the effect of the inflationary climb on the production of our goods and their sale in world markets.

Let me discuss briefly our deficit in trade with other countries. In a speech I made in the first session last year I complained about this unbalanced trade picture. My friend the honourable senator from Ottawa (Hon. Mr. Lambert) pointed out that huge sums of money were being invested in Canada and suggested this was compensation for the trade deficit. But let us look at the trade picture as of the end of November, 1956. The figures for the first eleven months of 1956 indicate that our imports from the United States exceeded our exports to it by \$1,225 million. And on world markets, during the same period, we bought \$880 million more in goods than we sold.

Now, it is all very well to say that a vast amount of money is coming into Canada, but let me point out that a lot of it is being used to buy oil which is shipped back to the United States and sold at a profit there. It is to the benefit of that country to spend money here to buy our natural resources. On the other hand, we are unable to sell our manufactured goods to the United States, because our costs are too high. Whether the costs are high because of interest rates, capital profits or for some other reason, I do not intend to discuss this afternoon; the important point is that because of high costs of production our goods cannot compete in the United States market. I have given the figures for the first eleven months of 1956,

and I am sure the month of December would show an even worse result.

A situation similar to that between Canada and the United States exists between Canada and other trading countries of the world. Whatever the cause may be, we are not facing up to it. But I point out that no country has ever been able to live for long under those conditions. A country which allows its trade deficit to persist will eventually be wiped out. Great Britain, for instance, is in economic trouble today because of her trade deficit. I am reminded of the fellow who when he was earning \$5 a day and spending \$4, was rich; but when he was earning \$5 and spending \$6, he was poor. As long as we are spending more than we make we are going to be poor. That is just the situation in which we find ourselves.

Hon. Mr. Euler: May I ask my friend a question? What makes this country so prosperous?

Hon. Mr. Haig: There is no prosperity in Canada today.

Hon. Mr. Euler: Is there not?

Hon. Mr. Haig: Just a minute now. There is prosperity in the sense of a money prosperity on paper. For instance, I noticed in a newspaper the other day that some of the stock of a prominent Canadian insurance company was sold to United States interests for \$1,975 a share.

Hon. Mr. Hardy: A very lucky man.

Hon. Mr. Haig: I did not mention any names. A lot of the shareholders did that. Now, people in the United States are sending their money over here because they think they can invest it in this country, maybe on account of—

Hon. Mr. Hugessen: Our prosperity.

Hon. Mr. Haig: No. Maybe because there is a capital gains tax over there and we have no such tax in this country. We do not know why they are doing it. But the point is this, that we cannot go on pursuing our present policy and win out; we cannot continue to sell less goods to the world than we buy and then borrow money to make up the deficit. That cannot be done by an individual or a family, and it cannot be done by a nation. You cannot cite me one case where that course was followed and did not end in bankruptcy.

Hon. Mr. Crerar: May I ask my honourable friend a question? Admitting there exists the danger that he is so eloquently describing at the moment, which I myself do not admit, what suggestion has he to offer for curing the trouble?

Hon. Mr. Haig: Well, honourable senators, I feel like answering that question in the way that the Leader of the Opposition in the other house answered another question a few days ago, by saying that that is not my problem, that it is the Government's problem. I am telling you that the problem exists and that the Government had better solve it.

In the years between 1930 and 1935, when I was a member of the Manitoba Legislature, the fellows would say to me: "Well, Haig, wheat is away down to 50 cents a bushel, and men are unemployed. What are you going to do about it?" I asked them, "What would you advise?" They replied: "That is not our problem; that is your problem, for you are running the Government of this country. But when we get in we will show you."

Hon. Mr. Crerar: The Government may not think the danger exists. They may have different views about it.

Hon. Mr. Haig: Maybe that is so, but I think they do realize the danger. I think they know there is trouble or they would not be making such frantic efforts through the Bank of Canada and other institutions to control inflation. I have in my hand one of the principal Liberal papers published in Canada—the *Winnipeg Free Press*—and it points out that in the Speech from the Throne inflation was not recognized as a problem in this country and no recommendations were made on how to deal with it. Up to date the Government have not dealt with it at all.

They are not selling our wheat. They are doing a lot of talking about the wheat we are selling, but on the 1st of October there were in storage in this country 825 million bushels of wheat, a two- or three-years' supply.

Honourable members, the people of Canada, except those in Manitoba, Saskatchewan and Alberta, think that we in the west are always talking about wheat. Well, grain—wheat, oats, barley and flax—is our staple product, and it is our hope to realize on that product. Now, it is bad enough to have to go through the vicissitudes of drought conditions, too much rain, a grasshopper plague or what have you, but when we have the crop cut and stored in the granary and then find we cannot sell it, I say to you that a real problem exists. Men and women come into my office and say: "Mr. Haig, we owe your clients money, we admit that we owe money to them, and if you wish you can take the land away from us. What are you going to do about it? Are you going to put us out on the road?" Well, honourable senators, I have not done that yet and I don't

suppose I will ever do it, nor that anybody else will do it. But there is no end to this problem.

I say that our country is in a very bad position. The United States, rightly or wrongly—wrongly, I think—is giving its wheat away. That country sold 400 million bushels of wheat to India and took rupees in payment, then turned around and lent the rupees back to India to build roads and bridges. Well, it will never get that money back; in fact, it doesn't expect to, but it has got rid of the grain stored in its elevators, granaries, boats and other places. We cannot do that, so we have to deal with our surpluses in a different way. These things are piling up. You do not need to take my word for it. You can ask any merchant who is trying to sell his goods, and he will admit to you that he is having difficulties in meeting the competition of Germany and Japan and other countries on world markets. He will tell you that Russia now realizes that the better way to take a country is not by guns and cannon but by trade, and that she is pursuing that formula. But we are not in a position where we can do that. It may be that our labour is too expensive. It may be that our taxation is too great.

Let me give you an illustration. I am sure all honourable senators know of the Hudson Bay Mining and Smelting Company, located in Flin Flon on the boundary of Manitoba and Saskatchewan. My honourable friend from Churchill (Hon. Mr. Crerar) knows about it, for that riding elected him every time that it got a chance to do so. The company bought its mine from the man who discovered it, and pays a royalty to the provinces of Manitoba and Saskatchewan on the mineral produced. In the course of its operations the company makes a profit, but one-half of that profit is taken away as a corporation tax by the dominion Government, in return for which the dominion Government gives nothing, not a thing. It never cost the dominion Government a nickel to set up that industry. The company has \$20 million invested in the whole project. I think that one year it made a profit of \$9 million, out of which amount \$4.5 million was exacted by the dominion Government as a corporation tax. This is the only country in the world where that kind of thing is done. Even Britain, in spite of the straits to which she is reduced, while she taxes corporations she credits stockowners to the extent of the taxes paid by the corporation.

Hon. Mr. Euler: We get a credit of 20 per cent.

Hon. Mr. Haig: Yes. But that is not 100 per cent. The federal Government has given

nothing to justify this exaction. It is one form of taxation which contributes to putting up costs. It cannot be otherwise. If I were running a company I would do what others do; I would immediately try to add enough to the selling price of my products to take care of the corporation tax which I was required to pay. Obviously, if that is done the cost of the article is increased.

Hon. Mr. Kinley: These are corporation taxes after profits.

Hon. Mr. Haig: It is shareholders' money which has made all this profit. Why should they not have it? I am quite willing to be taxed on the personal profits I have claimed from my investment.

Hon. Mr. Kinley: But a company is a person.

Hon. Mr. Haig: No, it is not. A company is composed of its shareholders and nobody else. It is their money which makes the profit possible. It was the fellows who put money into the Hudson Bay Mining and Smelting Company who made possible its success.

Hon. Mr. Euler: Is my friend suggesting that the tax on corporation profits should be wiped out?

Hon. Mr. Haig: I am quite willing that corporation profits shall be taxed, but the proceeds, the whole 100 per cent, should be returned to the owners of the stock.

Hon. Mr. Euler: Personally, I would like that arrangement very much.

Hon. Mr. Haig: Let me go a little further into the history of this mining company. How did it start? A man named Whitney came up from New York and decided to purchase what is now the company's property. But when the ore was tested it was found that the gold, silver, copper, lead and zinc could not be separated from the dross, and that there was no known formula of separation. When he was at Winnipeg he told us that to build a pilot plant and discover a way to make the refining perfect would cost about a million dollars. He wanted members of the Legislature to put up some of this money. Well, we were not very rich; members of legislatures seldom are; they are just "getting by". Mr. Whitney suggested that the members should raise a few hundred thousand dollars in the form of \$1,500 bonds. It was pointed out that if a formula could not be found the investors would lose their money. However most of the members finally agreed to subscribe \$1,000 or \$1,500, and these subscriptions, with those of others who put up similar amounts, provided the million dollars that was needed. Each member put up what he

could afford, in the light of Mr. Whitney's statement that, while a subscription of \$1,500 provided for a bond and 100 shares of stock, he did not know whether it was worth anything, and that certainly, if a formula could not be found, it was worth nothing. Some of the serious boys in the Legislature would not give anything, but a number of us foolish fellows, feeling that the enterprise would be of benefit both to Manitoba and Saskatchewan, provided what funds we could. So the pilot plant was built, and a formula was discovered. Subsequently stock was sold and money borrowed all over Canada and the United States; in all, \$20 million was raised to pay for machinery and get the enterprise going. Ever since that time the company has paid six per cent on our investment. Today my 100 shares are worth about \$8,000.

But now, who comes along? In walks the Government and says, "Aha, Haig, we will tax you on the income you are getting." I say: "All right; that is fair; if I am making more than the other fellow I should pay a bigger tax. But already the Government has taken half the company's profits. It is my \$1,000 and the other fellow's \$1,500 which made the profit possible; nobody else contributed to the company's success. Why, then, should the Government take half the company's profits away?" The honourable senator from Waterloo (Hon. Mr. Euler) has said that one-fifth of the tax is repaid to us. But what about the other four-fifths?

That principle of double taxation, to which I strongly object, affects the entire structure of our national industry. Ask any manufacturer you choose, and if he tells you the truth he will admit that he tries to add to the price of his product enough to regain some of the loss he suffers through this form of taxation.

I wish now to talk briefly on one or two other matters. First, I thank the Government for having raised the money grants to the universities of Canada. The increase of the grant from fifty cents to one dollar per head of the population is really a fine service to the nation.

One or two other comments I am about to make may sound rather political, but they are not really so, because I do not have to stand for re-election. A university education may mean nothing to some, but to the great majority of our people it is extremely valuable. I can bring to mind boys and girls who went to school in my home province of Manitoba and who, by reason of the education they received at college, have been able to occupy very prominent positions in this and other countries. I thank Providence for the men and women through whose foresight our

universities have grown and developed. I hope I may be pardoned for referring to Manitoba, but it is the province I know most about. It started a unique scheme in this connection. Four colleges—St. John's, Anglican; Manitoba College, Presbyterian; Wesley College, Methodist; and St. Boniface College, Roman Catholic—combined to form the University of Manitoba. I challenge honourable senators to cite a similar example of co-operation in Canada or anywhere else. All that this university did was to grant degrees. Each of these four institutions was entitled to send for examination a designated number of students. The degree-conferring body set the tests and examined the papers. When I went to university the only subject in which I was required to pass an examination there was physics; all the other subjects were taught in one's own college. This system gradually developed into the present University of Manitoba. Most of the colleges I have mentioned are still part of the university and are training young men and women to go up for their degrees. The students come for examination to the synod, composed of the four colleges and the university, and the young people who pass the examinations go out into life carrying degrees from the University of Manitoba.

When the dominion Government introduced its grant for educational purposes, Manitoba's share amounted to \$400,000. The grant is now approximately \$450,000, and will be increased to \$900,000 if the new scheme is approved. In the past this money has been divided on a *pro rata* basis among the educational institutions doing university degree work. There has never been any dispute in Manitoba about the grant, which has always been fairly administered by the university and the colleges. A large portion of the grant has been used to increase the salaries of professors—goodness knows they need the money—and to create scholarships that provide an education which otherwise some students might go without. The proposed doubling of the grant will be a wonderful thing for Manitoba. I cannot speak for the other provinces, but I feel sure that the increase will be welcomed warmly by them also.

There is just one little hitch to this whole plan. I have a great respect for our French-speaking friends of Quebec, who are just as good Canadians as those of us whose native language is English. French Canadians love this country and are anxious to make it a great nation, not from the point of view of armed might or monetary wealth, but as a champion of freedom of speech and religion and a country providing opportunities for men and women to better themselves in life.

There is some dispute between the Government of Quebec and the dominion Government as to whether a federal grant for educational purposes should be made to the universities and colleges of Quebec. I take no sides in this dispute, for I am not affected by it, but I do believe the money that is earmarked for Quebec should be accepted by that province so that its Government, of whatever party it may be, could deal with the money as it saw fit. I certainly feel that the professors and students at colleges and universities in Quebec should have the same opportunity with respect to this federal grant as have their counterparts in the rest of Canada.

It is true that current newspaper reports indicate the provincial Government is giving more money to the universities of Quebec than they would get from a dominion grant, but that money comes from the Quebec people themselves. I am not trying to accuse the dominion Government of anything in this regard, for I am wholeheartedly in support of its proposal, but I would like to see some arrangement made whereby the universities of Quebec would get a share of the grant. I do not intend to enter into any political row as to whether they should take the money in one way or another, but from my knowledge of the French-speaking Canadians I am positive that the day will come when they will realize that other Canadians are not trying to put anything over on them. I do not take sides, and I have such confidence in Canadians generally that I feel this problem can be solved if we want to solve it. It does not matter what we think about the political aspects. The problem does not affect us older people, but it certainly affects boys and girls now at school who will some day have to go out and face the world. We all know that they will be better qualified to do this if they have a university education.

Honourable senators, I am pleased that the Prime Minister proposes to recommend the establishment of a Senate committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it. However, he has limited it to eastern Canada. I admit that we have no bad lands in Manitoba, Saskatchewan, Alberta or British Columbia. Perish the thought!

Hon. Senators: Oh, oh.

Hon. Mr. Haig: But somebody from Manitoba might say to me: "Well, Haig, were you asleep when that resolution went through? Were you out of town? Didn't you know

that around the lakes in northern Manitoba we have some pretty poor land that might be used for other purposes than farming? When they approved the resolution, dealing with agricultural lands in the east, why didn't you let them know that we might like to have a similar investigation carried out with respect to western Canada?"

As I say, I am pleased that the Senate will be asked to establish this committee, for we have experienced men and women here who can and will deal with this problem without political prejudice. But I think the inquiry should include all of Canada, so that the whole country may benefit from the committee's work.

At a recent party convention a resolution was introduced to reform the Senate.

Hon. Mr. Bouffard: Were you at the convention?

Hon. Mr. Haig: I certainly was, and I must say that I didn't agree with the resolution at all. You hear all sorts of suggestions everywhere about reforming the Senate. I told the people attending that political convention—and I would say the same to all people who talk about reforming the Senate—that they should read the history of parliamentary debates up to and following Confederation. I am convinced that there never would have been a Confederation of Canada had there not been provision for establishment of the Senate.

Hon. Senators: Hear, hear.

Hon. Mr. Crerar: There is no doubt about that.

Hon. Mr. Haig: There is no doubt at all that the Maritime provinces would not have joined Confederation. I remember that on one occasion His Honour the Speaker (Hon. Mr. Robertson) when he was a private member in this chamber, said that Nova Scotia's long felt pretty bitter about Confederation. Well, I am sure that without the establishment of the Senate Nova Scotia would never have entered Confederation.

Hon. Mr. Bouffard: There is no question about that.

Hon. Mr. Haig: It is recorded that somebody asked Georges Etienne Cartier what he thought about Quebec joining Confederation and he replied that Quebec understood and expected to have equal representation with Ontario in the Senate. As the four western provinces were admitted to Confederation they were told quite candidly that their territorial division, despite its size, would be entitled to only 24 senators. In 1949, when Newfoundland joined Confederation, the representation of the eastern provinces in the

Senate was increased from 24 to 30. Those provinces have only 33 members in the House of Commons. Ontario has 85 representatives in the House of Commons but only 24 in the Senate. Confederation would never have come into existence without a Senate having equal representation from Quebec, the Maritimes and Ontario. Had I been a Maritimer I am positive that, considering my own nature, I would have advised against joining Confederation unless we were given equal representation with the other territorial divisions. I would have done the same had I been a Quebecer as Cartier did.

Some people think that the Senate should discuss and debate subjects just as the House of Commons does. That is not the purpose of the Senate. For some years prior to Confederation, members of the Legislative Council, as the Upper House was then called, were elected. The situation had become so bad by 1864 that, when considering the constitution of the Senate, the delegates to the Quebec Conference voted unanimously for abolition of the elective system and substitution of a purely nominative body. History records that Brown said, "Appointed or nothing", and Macdonald agreed. Honourable senators, if in two sessions, say, the House of Commons sent legislation over to us and we refused it, and if finally the Government decided to go to the country on the issue and the people overwhelmingly supported the legislation, we would realize that we must accept the voice of the people. Some one once asked Macdonald why every senator was obliged to own property worth \$4,000. Macdonald replied: "Some day Canada may have a government that wants to take all our property away from us. Do you think those old boys there who have \$4,000 worth of property will let them take it away? Not if I know them!"

Hon. Senators: Oh, oh.

Hon. Mr. Haig: I think Macdonald was correct. Honourable senators, I would like the boys and girls of this country, and older people as well, to read the history of Confederation in the Confederation Debates and see what the purpose of the Senate was. Let me give one instance of its usefulness. I think it was in the year 1920 that Sir Robert Borden, when he was Prime Minister of Canada, brought into the House of Commons a bill to repeal the Crowsnest Pass agreement. That was really a statute on the books, not an agreement, fixing the rates on grain and grain products between Winnipeg and Fort William, and between Winnipeg and the coast; it governed the Canadian Pacific Railway, but the other lines had to

fall in line or they would not get the business. The bill to repeal the agreement passed in the House of Commons, and then came to the Senate. The Honourable Robert Watson, from Manitoba, was one of the chief members of the Opposition in the Senate at that time, and Sir James Lougheed, from Alberta, was Leader of the Government. The great majority of senators in those days were Conservatives, and they, supported by Liberal senators, postponed the legislation for a period of I think, three years, by which time things had changed. The agreement is still on the statute books, and by it the farmers of the three western wheat provinces are saved a minimum of \$24 million a year. Perhaps you will say that the railroad should have that money, but a contract was made.

Hon. Mr. Aseltine: The saving is \$50 million a year now.

Hon. Mr. Haig: My friend says \$50 million. A representative of the C.P.R. has stated that it is \$19 million a year, but my figure is \$24 million a year. I do not know that we deserve that figure as payment, but we do not get it anyway. If, as my friend says, the saving is \$50 million a year, we should strike at once and get more of that money, for we are entitled to it.

I urge honourable senators themselves to read the history of Confederation in its relation to the Senate. I am not a bit afraid of a public discussion on this issue. The late Senator Léger, of New Brunswick, told me in 1927, when there was a conference of all the provinces here, that at that time some member of the Government brought up the question of changing the constitution of the Senate, but the provinces unanimously said no. I think the same answer would be given today. On the part of the people there is an overriding hope that if some matter does not receive fair consideration in the interests of the people, the Senate is a place where redress will be made.

Honourable senators, I have spoken longer than I should have done, and perhaps I have gone a little far afield. I will conclude by urging again that the Leader of the Government push legislation through this house so that it will reach the House of Commons in plenty of time before prorogation. Those

of us here, if we are alive after the election will come back, but some members of Commons will not. I hope that during the coming year conditions will improve in our country for all its people, including senators.

Hon. Senators: Hear, hear.

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

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN ADOPTED

Hon. F. W. Gershaw moved that the report of the Parliamentary Librarian for the year 1956, which was presented by the Honourable the Speaker on January 9, be adopted.

He said: Honourable senators, a report on the Library of Parliament is presented annually to the Senate. The present report, which is signed by Mr. F. A. Hardy, Parliamentary Librarian, outlines some of the activities during 1956. On June 19 of last year His Excellency the Governor General, amidst appropriate ceremonies, officially reopened the Library, which had had to be largely rebuilt because of damage by fire. For more than three years members of the staff had occupied temporary quarters in the Reading Room of the House of Commons, the Supreme Court building, and the Canadian Bank Note Company building. Recent official publications of the Government of Canada, the provincial Governments, and of the United Kingdom and Commonwealth countries, as well as of the United Nations Organization and affiliated agencies, are now all housed in the Library. Considerable cataloguing of books, which had been in storage, has been done, and within the next few months, when these books have been carefully arranged, a decision will be made as to which ones should be kept and which should be sent to the National Library.

During the year the General Librarian, Mr. Felix Desrochers, retired, after 23 years of faithful service; and, under the Library of Parliament Act, Mr. Guy Sylvestre, Assistant Librarian, was appointed Associate Parliamentary Librarian, by the Governor General in Council.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, January 17, 1956

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

Prayers.

Routine proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 5 to 12, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

DIVORCE RULES

AMENDMENTS RECOMMENDED BY COMMITTEE

Hon. Mr. Roebuck presented the committee's report No. 13, recommending amendments to the standing rules relating to divorce, and moved that the said report be taken into consideration at the next sitting.

He said: Honourable senators, I do not propose to attempt a review of this particular report today, but I do think that some explanation of how it originated is due to my fellow senators.

It proposes a series of amendments to the Senate rules on divorce. There are two main propositions contained in this report. One is that an applicant for divorce shall be required to name the co-respondent; and the other is that a respondent when pleading opposition to the petition shall be required to give a short, concise statement of the facts upon which he or she relies. There are, of course, some details connected with those two proposals traced out *in extenso* in the report; and the report recommends some other changes of a more or less inconsequential nature.

Honourable senators will have an opportunity to look over this report during the recess between today and Tuesday, when I shall move for concurrence, but I think I should make clear at this time how it is that the matter arises.

On the 31st of May last, referring to our rules for dealing with divorce cases, I made the following statement in this chamber:

I have not been at all satisfied, honourable senators, with the state of the rules under which we hear these cases. I have here the original rules. They were remodelled as long ago as 1906, and were adopted during the session of that year. That is half a century ago.

Then I detailed the very few and inconsequential changes that had been made in the rules, and I said:

Those are all the changes which have taken place in the rules in the last half century, and it is accordingly not to be thought that they are up-to-date and streamlined according to modern procedure. The pleading which comes before us, as a result of the lack of demand on our part, is often atrocious. In our form appear the words "on divers occasions"; and time and again there comes before us a husband charging a wife, or a wife charging a husband, with having committed adultery "on divers occasions". In other words, so far as the pleading is concerned, the whole life of the respondent is put in review, because adultery is charged at some time and some place, with some person unnamed. That is not according to modern pleading, and one could not get away with it in any other court.

By practice, though not by our rules, the petitioner must state particulars when they are demanded. But as this requirement does not appear in the rules, a lawyer who does not know the practice may come to Parliament at a great disadvantage in answer to such a pleading. The position of the petitioner may be even worse. The petitioner cannot demand particulars from the respondent, and all manner of defences may be put forward. For instance, there may be a denial of the charges, or there may be an allegation of connivance, collusion, or condonation. The respondent may allege that the parties have lived together, or have forgiven each other; or that the petitioner has been guilty of such cruelty as disentitles him or her to the relief claimed. It seems to me that our rules should require from the respondent, when the petition is opposed, a short, concise statement of the facts upon which he or she relies and which he or she intends to prove, so that the petitioner shall have notice of what he or she must meet. Similarly, the petitioner should be required to give to the respondent a concise statement of the facts upon which he or she relies.

Hon. Mr. Euler: Would my friend mind telling us what document he is reading from?

Hon. Mr. Roebuck: I am reading from *Hansard* certain remarks I made in introducing this subject on May 31, 1956.

I then referred to "the more debatable question as to whether the petitioner should be required to name the co-respondent," and went on to say:

There is no such obligation at the present time. There are two sides to this question. What appeals to me is that if a husband charges his wife with adultery with some person, the least he can do is to tell her, if he knows, who that person is; or *vice versa*, if the wife charges the husband and she knows the name of the person with whom she alleges adultery has been committed, her husband is entitled to know who the accused person is said to be as well as when and where the adultery was committed. The committee, too, in my opinion, is entitled to this information. Further, the co-respondent so named should be served with notice of the proceedings. I imagine that sometimes a person so charged would like to come before the committee and say, "The allegation is false; the story is concocted; I have had no improper relations whatever with the respondent". Under the present rules, the names of alleged co-respondents are frequently mentioned in the evidence, but as

these persons have no knowledge of what is going on they have therefore no means of protecting their reputations.

During my remarks an honourable senator asked me if I was giving notice to move an amendment to the rules, and I replied in the negative, stating that the committee had already decided to ask the three outstanding Senate officers concerned to prepare a report on this question and recommend such amendments as they in their wisdom, after a thorough review, thought meet. The three officials were Mr. MacNeill, Clerk of the Senate and a thoroughly experienced person in these matters, he having been our Parliamentary Counsel for a number of years; Mr. Hopkins, the present Parliamentary Counsel; and Mr. Armstrong, Chief Clerk of Committees, who has charge of most of this work. The document which I now lay on the table is the result of their report and it has been duly considered and approved by the Divorce Committee for submission to this body.

That is all the explanation that I believe is necessary at the moment, but on Tuesday next, when I move concurrence in the report I shall review the document in detail and give such explanation as seems necessary. As I have stated, the two outstanding features are the requirement on the part of both the respondent and the petitioner to give a concise statement of the facts upon which they rely, and the recognition that a person accused as a co-respondent is entitled to receive a notice of the alleged act or acts of adultery, so as to have an opportunity to protect his or her reputation.

Hon. Mr. Vien: Would the honourable senator object to the report being taken into consideration a week from Tuesday instead of on Tuesday next?

Hon. Mr. Roebuck: Not if there is good reason for it. While the proposed changes to the rules could not take effect at this session of Parliament, extensive changes of this kind would require a new printing of the rules. It is proposed that the changes take effect on the 1st of September next, that is, at the commencement of the judicial year, after the long vacation. It is desirable, therefore, that we should make progress with reasonable rapidity. Would it not be better to say Wednesday or Thursday of next week, rather than a whole week after Tuesday?

Hon. Mr. Vien: Let us say Thursday of next week.

Hon. Mr. Roebuck: I would rather say that than a whole week from Tuesday.

Hon. Mr. Vien: If the honourable senator agrees, we could say Thursday of next week,

and then if there were good reason to adjourn the matter we could do so. Of course, I appreciate the need for dealing with this expeditiously.

Hon. Mr. Roebuck: Then the wording of my motion will be changed to read that the report be taken into consideration on Thursday next.

Hon. Mr. Haig: Honourable senators, may I ask the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) a question? In some cases that I remember it was not known positively who the co-respondent was. How is it possible to give the name in such cases?

Hon. Mr. Roebuck: The Rules of Practice in the courts of the province of Ontario provide that a writ shall not be issued unless the co-respondent is known and named. In any case where the co-respondent is not known or named and cannot be found, a motion must be made before a judge for permission to issue a writ. Our committee is not sitting all the time, so of course the matter is a little more complicated here, but it is planned that where the co-respondent is not named, or there are good grounds for not naming the co-respondent, the petitioner's solicitor may come before the committee to ask for approval to proceed without naming the co-respondent. The plan in our minds at the moment is that when a session opens we shall notify the solicitor of every petitioner who has not named the co-respondent to come before us and tell us the reason for the omission, what action has been taken to ascertain the name, and so on, and then the members of the committee will exercise their good judgment under all the circumstances as to what they shall do about it. This business of wide open pleadings, with persons "at times unknown" and "at places unknown", is atrocious, because it is so unjust to the person accused, and also to the members of the committee who must decide the question. If counsel plead in that way they will have to receive our consent to proceed.

Hon. Mr. Vien: Could the honourable gentleman tell me whether at present the committee has not the power to ask the petitioner, as part of his or her evidence, to give such information?

Hon. Mr. Roebuck: The committee has that power, and frequently uses it, but that is at the "heel of the hunt"—that is, when the case is being tried. Then the co-respondent's name appears in the evidence, copies of which are distributed to all members of Parliament who desire it, and a number of copies are kept on file for purposes of record. This procedure does not enable the person accused to be

notified in advance of the accusation against him, or to have any opportunity to appear and defend his reputation. Sometimes we find out that the name of the co-respondent was known but was deliberately withheld. As our rules do not require the giving of the name, what can we say to the person who withholds it? It is unfair, but we cannot deny a divorce on that ground.

The amended motion of Hon. Mr. Roebuck, for consideration of the report on Thursday next, was agreed to.

For text of the report see Appendix to today's Hansard, p. 44.

CANADIAN PACIFIC RAILWAY AND DIESEL FIREMEN

ORDER IN COUNCIL APPOINTING COMMISSION OF INQUIRY TABLED

Hon. W. Ross Macdonald: Honourable senators, I have the honour to lay on the Table a certified true copy of a minute of a meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on January 17, 1957, with respect to the setting up of a commission under Part I of the Inquiries Act to inquire into and report upon the unresolved issues between the Canadian Pacific Railway and the Brotherhood of Locomotive Firemen and Enginemen.

The following three Commissioners were appointed:

The Honourable Mr. Justice Roy Lindsay Kellock, Puisne Judge of the Supreme Court of Canada; the Honourable Mr. Justice Campbell C. McLaurin, Chief Justice of the Trial Division of the Supreme Court of Alberta; and the Honourable Mr. Justice Jean Martineau, Puisne Judge of the Court of Queen's Bench for Quebec.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

The motion was agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

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

Hon. W. Ross Macdonald: Honourable senators,—

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald:—my first words must surely be words of congratulation to the two new senators who moved and seconded the motion for an Address in reply to the Speech from the Throne.

The mover (Hon. Mr. Bois) spoke in the French language, his mother tongue. Some honourable senators were fortunate enough to be able to follow his entire remarks; some of us could follow them to a considerable extent; and other honourable senators, who do not speak French at all, are now able to read in *Hansard* the English translation of his speech. I would like to say a few words of congratulation to our honourable colleague in French.

(Translation):

May I be allowed to congratulate you on your excellent speech. It is always a rather difficult task, even for an experienced parliamentarian, to open the debate on the Address in reply to the Speech from the Throne, but our new colleague spoke with both ease and eloquence. It is probably because he was discussing a subject which is close to his heart and with which he is very well acquainted. He has rendered great service, especially to the farmers of Quebec. We sincerely hope that he will long remain in our midst to serve the people of Canada.

(Text):

The motion for the Address was seconded by the new senator from British Columbia (Hon. Mr. Smith), a former member of the Legislature of his province. During his remarks he named some other senators who were once members of that house. I am impressed by the fact that all the senators from British Columbia have served in either the Legislature of that province or the House of Commons. Senator Hodges is a former Speaker of the Legislature. Senator Farris was for some years the provincial Attorney General and Minister of Labour. Senator McKeen was a member of the Legislature for several years. Senator Turgeon was for a number of years a member of the Legislature of Alberta, and later on represented a British Columbia constituency in the House of Commons for a considerable time. Senator Reid was not only a member of the House of Commons during a lengthy period, but served as Parliamentary Assistant to three ministers: the Minister of National Revenue, the Minister of Fisheries and the Minister of National Health and Welfare. I do not think any other province can claim the distinction of having as its representatives in the Senate men and women who have had the lengthy legislative experience that the senators from British Columbia have had.

The seconder of the motion is familiar with parliamentary rules and procedure. He spoke freely and eloquently, and did not rely on a written text. We look forward to many interesting addresses from both the mover and the seconder. I say to the seconder, as I said in French to the mover, that I trust he will be with us for many years to come.

I should like to take this opportunity of congratulating the honourable Leader of the Opposition (Hon. Mr. Haig).

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: I refer not only to his address of yesterday, which we all enjoyed very much, but more especially to an occasion during the convention of a great national party which was held in Ottawa last December. During that meeting the question of the reform of the Senate came up, and the Leader of the Opposition was quick to respond and to defend this house.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: That was a courageous stand for him to take. I am informed that, had the hour not been so late, his eloquent remarks would have prompted others to take a similar stand in defence of the Senate. I am sure that in congratulating him I speak for all honourable senators.

In the course of his address yesterday the Leader of the Opposition suggested that this house should deal with the legislation on its Order Paper as rapidly as possible, consistently with most careful consideration, in order not to hold up the work of the House of Commons. Well, honourable senators, I do not think this house has ever held up the work of the other house. For some reason or other, which my honourable friends may know of, the members of the other house take much longer in their consideration of legislation than we do. I am not criticizing them for doing so; in fact we would expect them to do so. They are elected by the people, and their constituents want to hear what each member has to say about the matters under consideration.

However, instead of our holding up the work of the House of Commons, it has been the other way around during the time that I have been in the Senate: we have waited for the House of Commons to pass along legislation to us. I do not think conditions will be different this session, especially as it is in an election year. I say "in an election year" because the honourable Leader of the Opposition informed us yesterday that there would be an election this summer. In fact, he seems to know the date of the election. He has always said that he holds the Prime Minister in the very highest regard and

esteem, and when he spoke with such conviction I began to think that the Prime Minister had given him the date of the election a little prior to the public announcement. Let me say this: I know that with the co-operation we will receive from the Leader of the Opposition this session, as we have in the past, the legislation on our Order Paper will be dealt with in good time and there will not be any delay on the part of this house.

Honourable senators have noticed that there is considerable work ahead of us this year, but the Order Paper is not entirely reliable in so far as notice of work is concerned. A few minutes ago we were discussing a change in the rules relating to divorce. Now, the Order Paper gives no idea of the amount of work which is before the Divorce Committee. A tremendous undertaking devolves upon the members of that committee. Its chairman informed us the other day that already 293 petitions have been filed, and that notice of 418 petitions has been published in the *Canada Gazette*. This means that the committee must between now and . . . What was the date the Leader of the Opposition gave for the election?

Hon. Mr. Haig: June 17.

Hon. Mr. Macdonald: And Parliament would be dissolved, I think he said—

Hon. Mr. Haig: Between the 7th and 10th of April.

Hon. Mr. Macdonald: So between now and the 10th of April this committee must deal with 418 applications for divorce. But I have no doubt, and I am sure the house has no doubt, that the committee can cope with this vast amount of work. It has done as much in as short a period in the past. The committee is an excellent one, and I wish I had the time to refer to its members individually.

In glancing over the roster the other day I noticed there was missing one name which had appeared there for 23 years, the name of the Honourable Senator Aseltine. Throughout that long period he served this house as a member of the Divorce Committee, and I believe for 10 years he was its chairman.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: I want at this time to express to him our appreciation of the faithful service which he gave. And I am sure I express the sentiment of the present chairman and members of the committee in voicing the hope that after he has had a rest this year he will want to come back next year. I know they would warmly welcome him.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: In reading over the membership list I also noticed that there are two new members. One is a new member of this house, and the other is the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor). I am told that he has agreed to serve on this committee, that his name was not put on the list without his consent. I want to assure him that I appreciate, as I know all members of this house do, the fact that he is prepared to give his time to this very necessary work, especially when he is so busily engaged in so many other activities of this house.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Macdonald: Honourable senators, I was more interested in the Speech from the Throne this session than at any other time since I have been a member of the Senate. I notice that on this occasion, for the first time in my memory, the Senate was mentioned twice in the Speech from the Throne, and both times in connection with very important legislation.

I will read one of the paragraphs in which the Senate is mentioned:

You will be asked to consider a revision of the law controlling narcotic drugs in the light of the report of the Senate committee on the use of narcotics in Canada.

Honourable senators, I feel that this house, and more especially the chairman and members of that committee, rendered a splendid service to the country in making an inquiry into the very difficult problem of the narcotic drug traffic in Canada. As we know, the committee spent a long time on the matter, heard evidence not only at Ottawa but at other points, and studied the evidence thoroughly before making a report. Its report has not been pigeon-holed; on the contrary, it is the basis of the Narcotic Control Bill, which was introduced in the Senate last week.

May I read from the Speech from the Throne the other paragraph in which the Senate is mentioned:

It is proposed to recommend in the Senate the establishment of a committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

The Leader of the Opposition suggested yesterday that the inquiry would be confined to eastern Canada. I do not see any such limitation in that paragraph in the Speech from the Throne. It is possible that the committee will feel it is desirable to make inquiry in eastern Canada first, since we already have on the statute books an act known as the Prairie Farm Rehabilitation Act, under the provisions of which considerable land, I understand, has been improved

and reclaimed in order to bring about a better production of crops in the west.

Hon. Mr. Haig: Yes, that is true.

Hon. Mr. Macdonald: Those who are familiar with the workings of that act will be able to render considerable assistance to this committee when it is set up. I would like to assure the Leader of the Opposition now that, so far as I am concerned, I will surely recommend that some members of this house from western Canada should serve on that committee.

Hon. Mr. Haig: Thank you.

Hon. Mr. Macdonald: There are in this house a number of members especially well-qualified to serve on this committee. Some of them have been here a number of years, and several who have recently joined us can be termed specialists in agriculture. Probably three of them will qualify as farmers. For instance, from the west there is Senator Boucher. And from central Canada there is Senator Bois, Doctor of Agricultural Science, who is President and General Manager of the executive council of the Co-operative Federation of Quebec. I know, from his speech of last Tuesday, that he has taken a great interest in the subject which will be considered when this committee is set up. The third new senator whom I have in mind is Senator Taylor, from New Brunswick. At one time he was Minister of Agriculture for that province; indeed, my honourable friend the senator from Kings (Hon. Mr. McDonald) remarked to me the other day that our new colleague was the best Minister of Agriculture the Maritime provinces had ever known. I told him I would accept that statement with one reservation, and that was with respect to the senator from Kings himself, who was formerly Minister of Agriculture of Nova Scotia.

Hon. Mr. Hawkins: And a good one.

Hon. Mr. Macdonald: I cite these names merely to indicate that there are in the Senate men well qualified to carry out this important work.

While I am mentioning the Maritime provinces may I also refer very briefly to the Gordon report. I do not intend to discuss that report today; but I have been quite concerned with what I have heard and read in the press with regard to the findings of the commission, more particularly as they relate to the Maritime provinces and, specifically, to Nova Scotia. I do not gather from the report that the commission recommended a wholesale removal of people from the Maritimes to other parts of Canada. I do not think that

conclusion can be read into the report. As I read it, there is a suggestion that if some people in these provinces feel inclined to migrate to other parts of Canada they should receive some assistance for that purpose, but it is not recommended that an effort should be made to move the very wonderful people of these great provinces to other parts of Canada. I say, "wonderful people" advisedly, because I know of the contribution which they have made to Church and State, to industry, commerce, education and law throughout the country. Permit me to mention a few names.

In matters of State one thinks immediately of such stalwarts as Howe and Tilley; of former Prime Ministers of Canada, Sir John Thompson, Sir Charles Tupper, Sir Robert Borden and the Right Honourable R. B. Bennett, later Viscount Bennett. We call to mind also men with whom many of us have been personally familiar: Ilesley, Ralston, Angus L. Macdonald, and a host of other brilliant men who have given leadership in state affairs.

In reference to the Church, one thinks of such men as former President Falconer of the University of Toronto, Archbishop MacNeill, Cardinal McGuigan, and others, with whom I have been personally acquainted, including the MacKinnon family, many of whom served the Church in my province.

In finance, one recalls such bankers as Spinney and Inman; the former, President of the Royal Bank; the latter, President of the Bank of Nova Scotia.

In commerce and industry these provinces have produced men like Lord Beaverbrook, Sir James Dunn, Cyrus Eaton, Isaac Killam and "Larry" Forsyth.

In the field of education, university heads right across this country have come from the Maritimes. I need refer only to Sidney Smith, of the University of Toronto; Dr. Norman M. Mackenzie, of the University of British Columbia; A. W. Trueman, former head of the University of Manitoba; Dr. H. M. Tory, who founded Carleton College, and Dr. Max. MacOldrum, its first Principal; and also C. J. Mackenzie, with whom many of us are personally acquainted, and who until recently was head of the National Research Council.

In the domain of law I would like to mention Sir Louis Davis and Judge Ritchie, both former Chief Justices of Canada.

I could go on at length, but I do not intend to do so. I think, however, I should not leave the subject without referring to some of our own colleagues. I will not allude to those still residing in New Brunswick; but

atives of that province who now represent in this chamber other parts of Canada include Senator Farris and Senator Turgeon; and we all recall the late Dr. King, who was at one time a Speaker of this House and before that a Minister of the Crown in the federal Government, as well as in the Government of British Columbia; also, from Prince Edward Island, the late Senator Ross, who passed away recently. May I name one other who has risen to great distinction and is, happily, with us: I refer to our own distinguished Speaker (Hon. Mr. Robertson), a native of the Maritime provinces.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: The honourable Leader of the Opposition (Hon. Mr. Haig) referred yesterday to university grants and said he was very pleased that the sum *per capita* has been increased from fifty cents to one dollar. But he did not mention the Canada Council, which was referred to in the Speech from the Throne. The Prime Minister, in speaking about the establishment of this body, said that the sum of \$50 million would be set aside for university construction across Canada. That money will be over and above the grants to which the Leader of the Opposition referred.

I think it is a fine thing that Canada is making this provision for education, for there is a real danger that in the development of a new country, such as ours, we may emphasize the development of natural resources and industry, forgetting in the rush of our times to pay proper attention to cultural development. I am sure that everyone in this chamber supports the action being taken by the Government to provide for the better education of our people, which is concerned with more than the material side of life.

The Leader of the Opposition stated that one province had not indicated its acceptance of these grants; and that it undoubtedly feels the dominion Government, in making them, would encroach upon provincial rights as set out in the British North America Act, and thereby undermine the preservation of their ancient culture. I am glad my honourable friend does not share that view, and I am sure there are not many here who do. The presidents of many Canadian universities do not; and one of these is Dr. Sidney Smith, President of the University of Toronto, which I attended. He feels that Mr. St. Laurent has no desire to encroach upon the rights of any province. I should like to read what Dr. Smith said when he

presented Mr. St. Laurent at the Conference of Canadian Universities held at Ottawa in November:

It is characteristic of Mr. St. Laurent that at such an anxious period he finds the time to hobnob with educationists. Wars and rumours of war bring the idea of grim survival to the forefront of our minds, but he does not lose sight of the further question: Survival for what? Never has there been a Prime Minister of Canada who has apprehended so well the essence of higher education.

Later he went on to say:

The aid that his Government has extended to the Canadian universities has been given without a hint of a tendency of a suggestion of a suspicion of a trend towards a desire to undermine their academic freedom.

Honourable senators, there are a few other subjects which I should like to discuss. One of them is the happy economic condition in which Canada finds itself. During the past year our gross national production reached a new level of \$29½ billion. This reflects expansion in every phase of Canadian life. The honourable Leader of the Opposition referred to our foreign trade. Well, there has been an unparalleled expansion in our foreign trade, and during 1956 the value of our merchandise exports reached the figure of \$4.85 billion, which was 12 per cent higher than in 1955.

The Leader of the Opposition also made reference to the sale of wheat. I should like to point out that our larger wheat shipments this year accounted for more than one-third of the increase in the value of our merchandise exports. As a matter of fact, our wheat shipments in 1956 were higher than they have been since the big year of 1952, in spite of the American give-away or surplus disposal program. However, I shall deal with that later in more detail. All I wish to say now is that we had a high exportation of wheat this year.

Among other noteworthy developments in our foreign trade was the export of crude petroleum products, which in 1956 exceeded the 1955 figure by \$100 million, which was a fourfold increase over the preceding year; and our foreign sale of iron ore increased over the previous year from \$100 million to \$160 million. In nearly every item of primary production—newsprint, copper, chemicals, aircraft and others—there have been increases on our export side. The only exception was lumber, in which there was a decline because of lower sales in both the United Kingdom and the United States. I mention this exception so that honourable senators will realize I am not dealing solely with the good side of the picture. Where we have had a decline I do not hesitate to bring it to your attention.

Much has been said, particularly by the Leader of the Opposition, of our unfavourable balance of trade with the United States. Well, I do not like having an adverse trade balance with that country, but we must remember that Canada is still under development. My honourable friend said that this adverse trade balance was due to the fact that our costs were too high. I would ask honourable senators if our costs are really higher than those in the United States. The real reason for our present adverse balance of trade with the United States is that we are bringing in capital goods from that country for the development of our natural resources, and when that development is fully under way our exports will soon catch up. For the most part these imports have consisted of machinery and equipment, of steel and other industrial materials that we cannot produce here. I emphasize that the adverse trade balance is not due to the fact that our costs are too high.

The Leader of the Opposition made some reference to the failure of the Government to provide for complete disposal of the wheat surplus in the west. I have pointed out already that our improved wheat sales have accounted for a large portion of the upswing in our export position during the past year. If I may be permitted to elaborate a little on this feature, I should like to give some figures to prove our achievements in this regard. Our western friends will find these figures of great interest.

During the period of the crop year of 1955-56 from August 1, 1955 to January 4, 1956, the marketings of all grains amounted to 167.4 million bushels. During the same period of this crop year they happened to be 251.7 million bushels, an increase of 94.3 million bushels over the period of a year ago.

During the first nine months of 1956 producers in the Prairie provinces received from grain \$526 million, an increase of more than \$150 million over the same period in 1955. It is likely that the farm income for 1956 from the sale of grain in the Prairie provinces will have exceeded those of 1955 by over \$200 million.

Honourable senators, those are staggering amounts; I have no doubt that they are correct.

The Leader of the Opposition referred to the danger of inflation in Canada. I can assure him that the threat of inflation also gives me great concern, as it must many other honourable members of this house. The current economic boom in this country, with its continued new highs, which I have already mentioned, has brought with it, of course, many very serious problems, not the least of

which, as the Leader of the Opposition stated, is the trend toward inflation.

In 1956 Canada's gross national product reached over \$29.5 billion, which is, of course, an all-time high, and roughly 11 per cent above that of the previous year. This condition has predisposed Canadians toward an overall rate of spending which places quite a strain on our economy.

I am happy to say that unemployment has reached a very low level, and although the supply of industrial materials is greater than ever before, there are shortages here and there, particularly in respect of capital goods and construction. These demands on our industrial materials, of course, are due to the very high level of capital expenditure in this country. Heavy investment is taking place right across the nation in our resource industries, in manufacturing and service industries, and in provincial, municipal, and other capital projects. Indeed, it is estimated that the total capital expenditure in 1956 in Canada will be about \$7.5 billion, or a quarter greater than in 1955. This rate of investment is even higher in Canada on a *per capita* basis than in the United States; in fact, I would say it is higher than in any other country in the world. The federal Government, in recognizing this problem, has endeavoured to keep down its expenditures on goods and services in the past year to the level of 1955 so as not to put too great a strain on the total supply of capital goods or services available, but notwithstanding this, the rate of spending continues to increase. I feel that if these inflationary tendencies are not checked in some way the situation could be one that might snowball into enormous proportions and have terrible consequences for many years to come. When inflation gets out of hand, before long complete disaster follows. We have seen that happen in so many countries in the world. At first, everybody seems to have lots of money, but when inflation comes who is hit first? It is the working man, the poor man, who is first affected, for he finds that his money has little purchasing value. Others, who have money, are also affected, for they find that their money will not buy goods. The result is that, in effect, no one has money of any value.

Honourable senators, I do not think that is likely to happen in Canada, but we have seen it happen in other countries and surely we should be on guard. The Leader of the Opposition has given his warning, and I give my warning, too. In his address to Congress on the state of the Union, the other day, the President of the United States expressed the same warning, stating that the greatest threat to the United States was

inflation. The Chairman and President of the Royal Bank of Canada, Mr. James Muir, in his address at the annual meeting of the shareholders, gave a similar warning.

Honourable senators, as I have said, I do not feel this is going to happen in Canada. I am very optimistic about Canada. After having seen what has taken place in other countries, I think we are too sensible to allow such a condition to develop here, and we are guarding against it. The Leader of the Opposition said we should be doing more to guard against it, but he made no proposal. I think it was the honourable senator from Waterloo (Hon. Mr. Euler) who asked him what he proposed. I know that the steps that are now being taken in Canada appear to affect some citizens more than others. But restrictions at any time are bound to vary in their application on the citizens of the country. At all events, let me assure you that our Government is doing its best to find the most effective way of handling the problem of inflation. But the Government alone cannot solve our difficulties. As the President of the United States said the other day, a government must have the support of labour, of industry and everyone else in the country to meet and withstand the tide of inflation.

Honourable senators, I do not intend to delay you long. As I said earlier, I am an optimist. One feature of the Gordon report which appealed strongly to me was the rosy picture it painted of the future prospects of Canada and of the opportunities which await the youth of this growing country. We may disagree with some of the matters contained in the report, but I am sure the note of hopefulness appeals to us all. We believe in our country; we know it is the greatest country in the world. But the privilege of living in this promising land carries with it responsibilities. It is our duty, honourable senators, to do our part to guide Canada in the course it should follow. I emphasize, that is a job not only for the Government, but for every Canadian citizen who has national pride and feels he has a responsibility to do his part in the best interests of Canada. I am sure all honourable senators, irrespective of party affiliation, have as their one great aim the serving of Canada to the best of their ability, to the end that it will remain the best and happiest country in the years that lie ahead.

Hon. Senators: Hear, hear.

Hon. Mr. Horner: Would the honourable leader permit a question? He made reference to the dire things that could happen if we suffered a full dose of inflation. Well, we all remember what happened in Germany

APPENDIX

(See pp. 35-37)

DIVORCE RULES—AMENDMENTS
RECOMMENDED BY COMMITTEE

Tuesday, January 15, 1957

The Standing Committee on Divorce make their 13th report, as follows:

Your committee recommend that the Standing Rules and Orders of the Senate relating to Divorce be amended as follows:

1. Delete Rule 135 and substitute therefor the following:

135. Evidence taken before the Committee shall be printed apart from the Minutes of Proceedings of the Senate, and only in sufficient numbers for the use of Senators and Members of the House of Commons, that is to say, one copy for distribution to each Senator or Member, ten copies for the parties and their counsel, and ten copies to be kept by the Clerk of the Senate for purposes of record and reference.

2. Delete Rule 137 and substitute therefor the following:

137. A copy of the said notice and a copy of the petition to be presented shall, at the instance of the applicant, and not less than two months before the consideration by the Committee of the petition, be served personally, when that can be done, on the person from whom the divorce is sought, who is hereinafter called "the respondent", and on every person with whom a matrimonial offence is alleged to have been committed, hereinafter called a "co-respondent".

If the residence of the respondent or the name or residence of a co-respondent is not known, or personal service cannot be effected, then, if it is shown to the satisfaction of the Committee that all reasonable efforts have been made to effect personal service, and, if unsuccessful, to bring such notice and petition to the knowledge of the respondent or co-respondent, what has been done may be deemed and taken by the Committee as sufficient service.

3. Delete Rule 139 and substitute therefor the following:

139. The petition of an applicant for a bill of divorce shall be fairly written and signed by the petitioner and shall include the following particulars in the order indicated:

(a) the place and date of marriage and by whom the ceremony was performed;

(b) the domicile of the petitioner and the respondent at the time of the marriage and also at the time of the filing of the petition;

(c) the names in full, ages, occupations and addresses of the petitioner and the respondent at the date of the filing of the petition;

(d) whether there has been issue of the marriage, and if so, the names and date of birth of all living children;

(e) the matrimonial offences alleged, these to be set out fully and precisely in separate paragraphs including, wherever possible, the name and address of every person with whom a matrimonial offence is alleged to have been committed, and omitting vague allegations such as "at divers times and places";

(f) if such be the case, that any person with whom a matrimonial offence is alleged to have been committed has died before the filing of the petition;

(g) where the name or address of any person with whom a matrimonial offence is alleged to have been committed is stated to be unknown, a statement that every reasonable effort has been made without success to ascertain the name and address of such person, together with particulars of the efforts which have in fact been made;

(h) the nature of the relief prayed for.

2. The allegations of the petition shall be verified by declaration of the petitioner under the *Canada Evidence Act*, or in a form valid in the jurisdiction in which it is made, and shall include a statement that the petitioner has not in any way been an accessory to or connived at or condoned any of the matrimonial offences alleged and that no collusion exists.

3. The copy of the petition served upon the respondent and any co-respondent shall have endorsed thereon, or appended thereto, the following information:

(a) the petitioner's residence at the time of service;

(b) a Post Office address in Canada at which letters and notices for the petitioner may be delivered;

(c) the name and address of the solicitor, if any, acting for the petitioner;

(d) if such solicitor's address is not at Ottawa, the name and address of some agent for him residing at or within five miles of Ottawa, upon whom all notices and papers may be served;

(e) that if the respondent or co-respondent desires to oppose the granting of the divorce and to be heard by the Senate Committee on Divorce, the respondent (or co-respondent) must send a notice to that effect to the Clerk of the Senate at the Parliament Buildings, Ottawa, and to the solicitor for the petitioner, within thirty days from the date of service upon the respondent (or co-respondent) and shall in the notices give,

(i) the residence of the respondent (or co-respondent) at the time of sending such notice,

(ii) a Post Office address in Canada at which letters and notices for the respondent (or co-respondent) may be delivered,

(iii) the name and address of the solicitor, if any, acting for the respondent (or co-respondent),

(iv) if such solicitor's address is not at Ottawa, the name and address of some agent for him residing at or within five miles of Ottawa, upon whom all notices and papers may be served,

(v) a concise statement of the material facts upon which the respondent (or co-respondent) relies in answer to the petition;

(f) that, if the respondent (or co-respondent) does not so notify the Clerk of the Senate, the petition may be considered, and a Bill of divorce founded thereon may be passed, without any further notice to the respondent (or co-respondent);

(g) when the petition is one by a husband for a divorce from his wife, that, if the wife shows to the satisfaction of the Senate Committee on Divorce that she has, and is prepared to establish upon oath, a good defence to the charges made in the petition, and that she has not sufficient money to defend herself, the Committee may make an order that her husband shall provide her with the necessary means to sustain her defence, including the cost of retaining Counsel and the travelling and living expenses of herself and witnesses summoned to Ottawa on her behalf.

4. Notwithstanding anything contained in these Rules, the Committee may upon application by or on behalf of the petitioner, if it considers it desirable to do so, order that the naming of, or the service of documents upon, a co-respondent be dispensed with.

4. Delete Rule 140 and substitute therefor the following:—

140. No petition for a bill of divorce shall be considered by the Committee unless the applicant has paid into the hands of the Clerk of the Senate the sum of two hundred and ten dollars towards expenses which may be incurred during the proceedings upon the petition and the bill, and the disposition of this sum shall be as ordered by the Senate.

5. Delete Rule 142 and substitute therefor the following:—

142. 1. The Chief Clerk of Committee shall examine the petition and all other documents relating thereto which have been deposited with him, and in each case shall report to the Committee the extent to which the requirements of these Rules, or of any order made or direction given thereunder, have been complied with.

2. When any document filed under this Rule is in the opinion of the Chief Clerk of Committees insufficient or otherwise defective, he may require the insufficiency or defect to be remedied, subject always to the right of the petitioner to have the matter referred to the Committee for decision.

3. In every case where the Chief Clerk of Committees reports an insufficiency or defect under this Rule the Committee may make such order or give such directions as it deems just and proper to remedy such insufficiency or defect.

4. If the circumstances of the case seem so to require, the Committee, before proceeding to hearing and inquiry as hereinafter required, may make such order as to the Committee seems requisite and just for effecting substitutional service by registered letter or otherwise.

5. When the requirements of these Rules, and of any order or direction made or given thereunder by the Committee are found to have been complied with in all material respects, the Chief Clerk of Committees, having regard to any rule or order which the Committee may make as to appointments for hearing and inquiry, and to any special order made or direction given by the Committee or the Chairman, shall appoint a day for the hearing of the petition and inquiry into the matters set forth therein, and the Committee shall, after reasonable notice to the parties, proceed with all reasonable despatch to hear and inquire into the matters set forth in the petition.

6. Delete paragraph 1 of Rule 145 and substitute therefor the following:—

145. If adultery be proved, the respondent or a co-respondent may nevertheless be admitted to prove connivance at, or condonation of the adultery, collusion in the proceedings for divorce, or adultery on the part of the petitioner.

7. Delete Rule 146 and substitute therefor the following:—

146. The petitioner, the respondent or a co-respondent and, if the Committee sees fit, any other person affected by the proceedings had, may be heard before the Committee in person or by counsel learned in the law of the bar of any province in Canada.

8. Delete Rule 147 and substitute therefor the following:—

147. The petitioner, the respondent and a co-respondent, appearing before the Committee, and all witnesses produced before the Committee shall be examined upon oath, or upon affirmation in cases where witnesses are allowed by the law of Canada to affirm; and the law of evidence shall, subject to the provisions in these rules, apply to proceedings before the Committee, and shall be observed in all questions of fact.

2. Declarations allowed under or required in proof may be made under the *Canada Evidence Act* or in a form valid in the jurisdiction in which they are made.

9. Add the following paragraph at the end of Rule 148:—

"Every witness summoned shall, at the time of service of the summons upon him, be tendered a sum of money sufficient to defray his reasonable expenses for travelling to and from Ottawa and his reasonable living expenses while in attendance upon the Committee; and no witness shall be obliged to attend in obedience to a summons unless such a tender has been made to him.

Your committee further recommend that the foregoing amendments to the Standing Rules and Orders of the Senate relating to Divorce become effective on September 1, 1957.

Your Committee also recommend that the Clerk of the Senate be authorized to approve such changes in the Divorce Forms subjoined to the said Standing Rules and Orders as he may consider necessary in consequence of the foregoing amendments, and that the changes in the Divorce Forms so approved by the Clerk of the Senate become effective on, and apply in respect of all petitions for divorce filed with the Clerk of the Senate on or after, September 1, 1957.

All of which is respectfully submitted.

A. W. ROEBUCK,
Chairman.

THE SENATE

Tuesday, January 22, 1957

The Senate met at 8 p.m., the Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the Committee's reports Nos. 14 to 34, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

He said: Honourable senators, may I call attention to the fact that the material in support of every motion of this kind is always laid on the Table, and this material is always available to any honourable senator who may wish to see just what is behind the motion.

The motion was agreed to, on division.

SENATE STATIONERY

SUBCOMMITTEE—INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I wonder if it will be possible to have a copy of the letter or notice that was sent by the Chief of the Stationery Branch for the calling of the meeting of the Subcommittee on Stationery in June last year.

Hon. W. Ross Macdonald: Honourable senators, I will make inquiries and endeavour to ascertain whether it is possible to obtain a copy of the letter requested by the honourable senator.

Hon. Mr. Pouliot: Thank you very much; and I will convey my thanks again when I get the letter.

PRIVATE BILLS

TRANS MOUNTAIN OIL PIPE LINE COMPANY—FIRST READING

Hon. Stanley S. McKeen presented Bill I, an Act respecting the Trans Mountain Oil Pipe Line Company.

The bill was read the first time.

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

Hon. Mr. McKeen: Thursday next.

LIFE UNDERWRITERS ASSOCIATION OF CANADA—FIRST READING

Hon. Arthur W. Roebuck presented Bill J, an act respecting The Life Underwriters Association of Canada.

The bill was read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, January 17, consideration of His Excellency the Governor General's speech at the opening of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. Thomas Reid: Honourable senators, in rising to take part in the debate on the motion for an Address in reply to the Speech from the Throne, I wish at the outset to commend most sincerely the speeches made by the mover and the seconder of the Address. I do not usually do this, but on the present occasion I feel I should. It is true that I did not follow the remarks of the mover (Hon. Mr. Bois) when he was addressing the house in French, but I made it a point to read the English translation and I want to tell him that in my opinion it was an excellent speech, particularly from the point of view of agriculture. The honourable senator went into a great deal of detail and I would commend the information to any honourable senator who wishes to take the time to read it. It would be worth while for anyone's future reference.

Also I am sure I express the sentiment of the whole house when I say that the seconder, the new senator from Kamloops (Hon. Mr. Smith), made a splendid impression. He relied on his own spoken remarks, for he had no written speech before him, and in my opinion this is all to the good. May I say to him, in all kindness, that it was nice of him to make references to me, but he had no need to apologize for doing so. I enjoyed his remarks on the proposed "Pink Salmon Treaty" very much, and I can assure him that he will hear lots about that subject before this session is over, for I expect to make quite a lengthy speech on the salmon industry and the dangers facing us in British Columbia from the great financial concerns out there which would like to grab or steal the last heritages we have left. I am particularly glad to welcome the honourable senator to the group of supporters of the salmon fisheries, because in that part of the country where he lives, or just beyond it, the people, if I guess aright, are more interested in industry than in salmon. Sometimes I have occasion to go up through that part of the country, and I speak to many people in the separate localities, and they say, "Oh, we are not interested in salmon, we

are interested in industry". That is the reason why I deeply appreciate the splendid support the honourable senator from Kamloops indicated when he spoke the other evening.

Honourable senators, I wish to say something which cannot be too often repeated to the people of British Columbia, namely, that even if the Columbia River is developed and the Fraser is left alone, there will still be a danger to the people of the interior that some aluminum industry might grab the block of power. I doubt if the big Alcan Company, which was given one of our greatest heritages and will eventually develop close to 2 million horsepower, will ever provide employment for more than 10,000 men. When one considers that just over one million horsepower is developed at the present time in the whole of British Columbia, providing employment for about 750,000 men and women, the danger is evident if the great block of power which can be developed at the proposed Mica dam in British Columbia is given away or purchased for power purposes in the production of aluminum. It would not result in the large number of jobs that some people seem to envisage.

I wish now to deal with one or two matters outlined in the Speech from the Throne. As one who has had considerable municipal experience I am very glad indeed to hear of the proposed extra grants to the municipalities. However, in view of the heavy expenditures by the municipalities, owing to the building of houses within their boundaries, I suggest that the Government should consider loans at 2 per cent for the construction of sewers and public works. Such liquidating loans would, I think, be of great assistance to the municipalities, and would not increase the inflationary trend that we hear so much about.

I am pleased to see that the Government is recognizing the universities by giving grants for extra buildings and for other purposes. However, I would appeal for special federal aid for the University of British Columbia to assist in the teaching of fishery biologists. As one who has had something to do with the engaging of biologists of high calibre, may I say that we in British Columbia find ourselves handicapped because of lack of funds for this purpose. The federal Government, I know, sometimes gives special grants for the furthering of certain branches of education, and I think this is a specialty which merits some assistance. For the most part we have to go to the United States to secure experienced and high-calibre biologists who specialize in fisheries. Just before I left home recently I was speaking to the President of the University of British Columbia, who intimated

to me that much could be attained in this field if some further financial assistance was forthcoming.

My next suggestion may give rise to a smile among honourable senators. We have all noted the proposed measure for the establishment of a Canada Council for the Arts, Humanities and Social Sciences. While I am all in favour of such an endeavour, I hope it does not contemplate producing any more Elvis Presleys. I never realized that I was so far out of date until I saw this artist on a C.B.C. television production. Heaven help us if that is the way our generation is going. Nothing more need be said.

At this time when we are giving so much attention to our young people, in an age when the woodshed has been banished, when our boys and girls are being kept at school up to the ages of 18 and 19, when many boys of 14 years demand a car of their own and we all are in some danger of losing the use of our legs, I suggest that consideration be given to the establishment of an organized system for the training of athletes such as has been set up in Australia. The success of that country in this respect was brought to our attention particularly during the recent Olympic games. The plan there is to train athletes from 10 years of age upwards on a mass production scale. Honourable senators will recall that at the recent games Australian athletes of 14 years of age stood up well against grown men. The results of the games showed that Australia ranked third, being surpassed only by the two largest countries, the United States and Russia.

Now that we are giving so much thought to our teenagers and the problem of juvenile delinquency, and when the threat of the Soviet hangs over us, let us not forget that in Russia, while a great deal of attention is being given to education, the people are working far harder—they have to—than those in this country. When we talk of the Gordon Commission report and glow with pride over the prospect that as time goes on we will work shorter hours, have more money and enjoy greater luxuries, let us not forget that there are certain factors that can interfere with and eclipse that prospect. I believe that a serious plan for training athletes in this country would not only bring health to our youth, but would do much to safeguard our nation and keep it virile.

As some honourable senators know, in 1955 I had the pleasure and privilege of visiting my native land after an absence of 45 years. One thing particularly struck me and I am passing it along. My wife and I visited the Aberdeen fish market, because I am interested in the handling of fish. Never in my life had I seen so many sea-gulls,

either flying around or walking on top of the thousands of boxes of fish. One of the attendants said to me, "Do you know, sir, that when the last great strike took place hundreds of sea-gulls died, because they did not know how to get food for themselves." He explained that from the time the gulls were born they came to these boxes and were fed, but when the strike took place, there being no fish, all the young gulls died, for they had lost the knowledge of how to obtain food by their own efforts. The thought occurred to me that perhaps that could happen to people also in some countries. We might lose the art of walking, we might lose the knowledge of how to maintain our way of life and not be able to fend for ourselves.

Honourable senators, we have been hearing a great deal about the Hungarian refugees and I want to say a word regarding them. I note that the United Nations has been appealing to Hungary, or to the Soviet, to allow observers to go into Budapest to see conditions for themselves and speak to the people. I think that they do not need to wait for permission to go there to find out information; they can learn all they want to know from the refugees who have come over here. Whether or not the time is opportune for a delegation from the United Nations to go to Budapest I do not know, but the latest decree issued by the Soviet in regard to that city would lead one to doubt that anyone there would dare to speak freely. By that decree persons who speak freely are punishable by death. If any committee or individual did go to Budapest to obtain information, I cannot imagine the people there coming forward and speaking openly and freely. I am not now referring to those who have been taking advantage of things or those who are said to have run out of the country, but I am thinking of the people who took part in the revolution, who risked their lives to fight the Russians. Let a committee travel through Canada or the United States, and in my opinion they will get a much fuller and more honest story than would be obtainable in Budapest.

I am very glad that we have not had trouble with Hungarian refugees such as other countries seem to be having. I note that the United States has run into some difficulties during the recent migration, and a bill has been introduced in Congress to curb the influx. There has been trouble also in some of the refugee camps in France. We indeed have been very fortunate so far in this respect.

I hope I will not be accused of saying this just because of blood ties, but I trust the Canadian Government will be as liberal with the English, Irish, Welsh and Scots who want to come over here as it has been with the

Hungarians. I may be wrong, but statements made by many refugees indicate that they do not intend to settle down here, but are resting temporarily in this safe and generous country and later will go back to their own native land where their relatives still are. I would not blame them if they did. But many people in the Old Country see a warning, a writing on the wall, so to speak, and of their own choice want to come to Canada. Considering the history of the British people and what they have done to defend democracy, and in view of what is being done for these refugees from Hungary, I hope we will deal just as kindly and generously with the great numbers who want to come here from the Old Country.

Hon. Senators: Hear, hear.

Hon. Mr. Reid: Such a policy would do the Old Country good, for there are far too many people in Britain now for it to feed. Also it certainly would be all to the good for us if we generously helped quite a number of British people to move to this country.

As to the British-French-Israeli-Egyptian affair over the Suez Canal, I doubt if the complete story will be revealed for some time, if ever. Apart from all the condemnations of the actions of Britain and France, one thing stands out clearly above all others: but for the action taken by Britain and France the United Nations might never have acted.

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Reid: I think that is clearly evident to all.

The first question we should ask ourselves in viewing the situation there is: Was there a plot by Russia with Nasser not only to make war or annihilate Israel but also to drive the British and French out of the Suez zone? In other words, was there a plot to take over the Middle East? I am not going to quote at length, but the headlines in the newspaper I hold in my hand tell the story: "Russ Arms Plot Bared by Britain". The article that follows reads in part:

The magnitude of the Russian plot to take over the Middle East was unmasked Monday night by British officials. The build up of Russian arms in Egypt and Syria over the past year was totalled at \$459 million.

Hon. Mr. Quinn: What newspaper are you quoting from?

Hon. Mr. Reid: The Vancouver *Province*, of Tuesday, November 13, 1956. Outlined in the article is the number of planes, tanks, rifles and other things that had reached Egypt and Syria from the Soviet. I do not think anyone is going to deny the facts. That makes the picture, to me at least, very clear indeed.

In the opinion of many people outside of Great Britain—yes, of many people in the

United States and in this country too—intervention by France and Britain was due first of all to the impotence of the United Nations, and, secondly, to the great indecision or indecisions of the United States, and the policy of that country, not to British policy.

It is to be noted that former United States Minister Cafferty had a lot to do with installing the Nasser regime; and further it has been revealed that the United States promised to supply oil to Britain and France if they would yield unconditionally to Nasser. I will not read all the material I have here, but there are one or two passages which I think I should put on record. It is headed: "We Bury Our Friends" and it has been printed in the *Washington Post*, the *New York Herald Tribune*, and the *New York Times*. It states:

We—

That is, the United States.

—pilloried our major allies for taking military measures to halt Moscow's domination of Egypt and through Egypt of the whole Middle East. We prevented the downfall of Nasser, which so obviously would have been a boon to peace. We helped cancel out the military advantage gained by Anglo-French initiative, undermined the prestige and authority of these two nations and lent our weight in the crippling of their economic vitality. Yet now we concede in effect that the prospect of Soviet hegemony over the Middle East is terrifying enough to justify unilateral employment of Western power. Having deepened the vacuum into which Soviet influence now flows more alarmingly than before, we add insult to injury by claiming for ourselves alone—

That is, the United States.

—the right to act what we denied to England and France. How paradoxical can one government become without losing the respect of foes along with the confidence of friends? . . . Having almost mortally wounded our best friends, we seem to be preparing to bury them.

True, there is a face-saving clause. It is asserted that the United States, unlike Britain and France, will use force only with the "consent" of the nations endangered by Soviet aggression. But this is palpably diplomatic double-talk. Soviet aggression is most unlikely to take the form of overt military attack. The Kremlin has found infiltration and subversion—of the order now on display in Syria—more to its taste and its talents. . . .

It was to forestall the covert, non-violent and more deadly sort of aggression that London and Paris acted in November, only to be slapped down and deeply weakened for their daring. Now the United States, which led the condemnation proceedings while Nasser cheered and Moscow jeered, declares that it will do what Britain and France did, if and when necessary.

I shall have one or two things to say regarding the Soviets. Although I did not attend the special session in the fall, I was particularly pleased with the strong statement of the honourable senator from Alma (Hon. Mr. Molson) about keeping the Russians out of this country, and I compliment him on it. I have said many such things about Russia and her rulers. I noticed that the other evening a member of Parliament complained that he was still

getting literature from the Soviet Embassy. If any honourable members are receiving this material and want to get rid of it, I will tell them how they can do so. You will remember that at the regular session last year I put a question on the Order Paper as to whether our Embassy in Moscow had the right to do what is being done by the Soviet Embassy in Ottawa in the matter of distributing literature. Immediately my question was drawn to the attention of Soviet officials—which was next day—they cut me off their mailing list, and I have received nothing since. I asked a friend, "Are you still getting some of this propaganda, as I call it, from the Soviet?" He said, "Oh, yes". I remarked, "Well, if you don't want it, just do as I do, and act as they act." Why should we not do so? I think we have been a nation of fools to put out the red mat for them in this country. We did so in my city. I refused to attend any of the official functions tendered to these visitors. Both delegations which came out there had the same story. The delegation representing the fishing industry were going to buy fishing boats from us: later, when two men from Moscow toured our lumber camps, they announced that they proposed to buy Canadian machinery for lumbering. Neither delegation had the intention of buying anything. Since they went home not a word has been heard from them by either the builders of fishing boats or the manufacturers of machinery.

I wonder when our people are going to wake up. Of course the Soviet wants peace, though many may not believe it. In my opinion she will not launch a war so long as she is gaining so much by the methods she is pursuing, and by which she is now penetrating the Middle East. No one can tell just what is going to happen there.

It will take two minutes or so, honourable senators, to read what I believe is a salutary message both for members of the Senate and for the people of Canada generally. This is from an article by Bruce Hutchison, one of Canada's ablest writers, published in the *Financial Post*. It states in part:

Russia is using her production mainly to create power while we use most of ours to create an easier life. We produce far more steel, for instance, but we put it mainly into consumer goods. The Russians put steel into weapons or new industries and starve the consumer. They buy power. We buy a new car. In terms of common sense we are doing the right thing but in terms of power in a crazy world the Russians are moving, comparatively, faster than we are.

I am skipping part of the article, and so will read only one or two more paragraphs.

But these boys, for all their smiles, have never lost sight of their target. Stalin approached it

brutally and directly, thereby only succeeding in alerting the West. The present crowd is creeping up on us quietly, indirectly, patiently, and lulling us to sleep. That's why it's so much more dangerous.

As I say, no red carpet should be put out for them. Let us face up to the facts of the situation.

Such visible dangers can be met if the West wakes up. We can continue to out-produce the Russians in all kinds of goods, in weapons, in trained technicians, if we set our minds to it. The more difficult problem, the problem which baffles Washington and Ottawa—

Let me repeat—Washington and Ottawa.

—is almost invisible to the public. One of the chief men administering American foreign aid put it this way: We've given billions away in Asia to buy friends in the real fulcrum of the struggle, but we have less friends there than when we started. We should have expected that result. When you give a man charity he may take it but he usually hates you. The Russians have been smarter. They give away nothing. They pretend to put the Asiatics under no obligation. They save the face of their intended victims by buying their goods.

These little countries and groups do not like the string that is attached to monetary aid, and that is why very often they veer to the Soviet for help.

Further on Mr. Hutchison quotes an informant as saying:

"Up to now . . . we just haven't figured out a way to meet that kind of competition in the neutral countries where the cold war will be won or lost. This is a new thing in our experience and we are not prepared for it. We cannot solve it either by charity—though a lot of charity is still needed—or by ordinary business methods. We are caught in a cleft stick.

"At least we have learned that when the Russians talk about competitive co-existence they are not talking propoganda any more. They mean what they say. They are doing, inside Russia and abroad, precisely what they promised and we are thrown off balance because we never expected them to tell the truth."

I repeat that when the Russians were telling us they wanted peace, none of us would believe them. Well, they do want a so-called peace, because they will try to conquer the world without going to actual war. They have overrun a great deal of the world already, hence the great danger in the Middle East at the present time.

Mr. Hutchison concludes in this way:

For all their public postures and election speeches, the statesmen of Washington and Ottawa will admit privately that they have no answer to this riddle. But they have a responsibility to tell their people

the truth about the current facts of life. Instead, most of them are telling us that we can beat the Russians on a thirty-hour week, an easy life and perpetual security guaranteed by the state.

We are being told that we can beat the Russians by paying big wages to labour for a shorter work-week and by providing an automobile for almost every household.

Honourable senators, before concluding my remarks I should like to refer to the recent events in Great Britain. Although that country may have been castigated and humiliated, some good may come out of it all yet. Great Britain realizes that the load she has been carrying for the Western nations is now too heavy a burden for a nation which gave its all in blood and money during two world wars. Not even Russia could have withstood Hitler's onslaught had Hitler been able to crush Britain after the capitulation of France. It took a devastating bombing attack on Pearl Harbour to bring the United States into the Second World War.

The Right Honourable Harold Macmillan, Britain's new Prime Minister, is taking steps to improve Britain's position in the light of recent events. As a start he has made it clear to the United States that Great Britain will never be a forty-ninth state of the American republic. Let us in Canada not overlook the fact that should Britain join in or help to bring about the projected free-trade area of Europe, a policy of the new Prime Minister of Great Britain, this country would be more seriously affected than perhaps many citizens realize.

On motion of Hon. Mr. Davies, the debate was adjourned.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 5 to 12, which were presented on January 17.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, January 23, 1957

The Senate met at 3 p.m., the Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports No. 35 to 57, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill K, an Act for the relief of Dorothy Amelia Ashmore MacDonald.

Bill L, an Act for the relief of Dorothy Frances Auger DeIacobis.

Bill M, an Act for the relief of Patricia Jean Jones Robinson.

Bill N, an Act for the relief of Gwendoline Stedman Adrain.

Bill O, an Act for the relief of Joyce Bernice Good Taylor.

Bill P, an Act for the relief of Jessie Pearce Meti.

Bill Q, an Act for the relief of Maud Lenore Wheeler Lanctot.

Bill R, an Act for the relief of Patricia Anne Wylie Houstoun Patience.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY COMPANY—
FIRST READING

Hon. Paul H. Bouffard presented Bill S, an Act respecting Canadian Pacific Railway Company and certain wholly-owned subsidiary companies.

The bill was read the first time.

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

Hon. Mr. Bouffard: With leave, tomorrow.

OBLATE FATHERS OF ASSUMPTION
PROVINCE—FIRST READING

Hon. John J. Connolly presented Bill T, an Act to incorporate Oblate Fathers of Assumption Province.

The bill was read the first time.

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

Hon. Mr. Connolly: Tuesday next.

FRASER RIVER BASIN

REPORT OF BOARD—INQUIRY

Hon. Mr. Reid: I should like to direct a question to the honourable Leader of the Government (Hon. Mr. Macdonald). I wonder if he could procure some information as to when we might receive a copy of the report of the Fraser River Basin Board which has been using Government funds to investigate dam sights on the Fraser River.

Hon. Mr. Macdonald: I shall have inquiries made, and shall table the report as soon as I receive it.

Hon. Mr. Reid: I am anxious to see the report before the end of the session.

Hon. Mr. Macdonald: I shall endeavour to obtain it before that time.

WABANA, NEWFOUNDLAND, AIRSTRIP

NOTICE OF INQUIRY

Hon. Calvert C. Pratt: Honourable senators, I wish to give notice of the following inquiry of the Government:

Have plans been prepared for the building of an airstrip at Wabana, Newfoundland, and, if so, when does the Department of Transport propose to proceed with the work?

Because the need for serving the industrial community of Wabana, with its population of over ten thousand, and particularly because of the ice blockades which sometimes isolate Bell Island, Conception Bay, it is generally regarded that the provision of an airstrip there as auxiliary to the adjacent airport at Torbay is a required public service of great necessity, and I wish this house to be informed of what progress may be anticipated in this connection.

Hon. Mr. Macdonald: I shall endeavour to get any information I can.

Hon. Mr. Pratt: Thank you.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—
DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's Speech at the opening of the session

and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. W. Rupert Davies: Honourable senators,—

Hon. Senators: Hear, hear.

Hon. Mr. Davies:—this speech is going to be an ordeal for me, but I trust not for you. I never get to my feet to speak to the members of this distinguished chamber without calling to mind an occasion when I approached a distinguished Conservative statesman and asked him if he would come to an opening meeting of a group of newspapermen at the Chateau Laurier. He replied that he would come on one condition—that he not be asked to make a speech. I said, "Surely you do not mind making a speech," as he confessed "I am scared stiff every time I get to my feet."

Well, honourable senators, there are a good many here who are not scared stiff of making a speech, and I am glad we have such members in this chamber.

I once had an editor working for me who in his younger days had a fine singing voice. He liked the sound of his voice so much that when he lost his ability to sing he took up public speaking, and went about the country giving addresses. I thought this was a rather good idea, especially when I found out that he received \$25 for speaking at a luncheon and \$50 for a dinner engagement.

We have all heard many fine orators. I recall the late Sir George W. Ross, who at one time was Leader of the Government in this chamber. When he spoke in public he had a man stand at the back of the hall with a handkerchief in his hand, which he used as a signal to indicate to Senator Ross whether he was speaking too loudly or too softly. I sometimes think that would not be a bad practice to follow in this chamber today. The Right Honourable A. J. Balfour, who was Prime Minister of Great Britain from 1902 to 1905, could sit and listen to his Government being scarified by the Liberal Opposition, with his head back, his arms folded and his eyes closed as if in prayer. When the Opposition concluded he would get to his feet, and without a single note, proceed for about an hour to tear the Opposition to pieces.

Mr. Lloyd George was a great orator in his day. The story is told of an occasion when he and Lord Birkenhead were attending a dinner, at which Lloyd George was unexpectedly called on to speak. Having no notes, he reached over and took Lord Birkenhead's notes, which were lying on the table in front of his lordship, and spoke

from them. I once had the privilege of hearing Lloyd George address ten thousand of his Welsh compatriots. He had what the Welsh call the "hwyl"—I only wish I had it. With his power of oratory he had those people almost tearing up the seats, and when he was finished they stood up and sang the Welsh national anthem at the top of their voices.

I had an old uncle whom the more dignified members of the family referred to as a character, and whom younger members sometimes referred to as an old card. In the days when our honourable Leader in this house (Hon. Mr. Macdonald) was a young boy going to public school in Brantford, my old uncle used to try to break the windows of the Liberal hall in that city, acclaiming the virtues of Gladstonian Liberalism. Nobody paid a great deal of attention to him, because the elections in Brantford were not fought over Gladstone and his policies. I once asked him to speak to a young people's group in the Congregational Church, now I believe the Presbyterian Church. He consented to come. I can see him now as he came in wearing an old frock coat, a heavy watch chain and a frayed pair of pants, for he cared little about dress. He commenced to speak at 8.30 in the evening on "The decline and fall of the Roman Empire," and at 11.10 p.m. I had to tiptoe up to the platform and tell him what time it was and that the people wanted to go home. Afterwards he chided me for having interrupted him in his train of thought.

Before I start talking about the Speech from the Throne I want to add my congratulations to those already expressed to the mover and seconder of the Address, the new senator from Montarville (Hon. Mr. Bois), and the new senator from Kamloops (Hon. Mr. Smith), on the excellent speeches they made. These honourable members are a decided acquisition by this chamber.

Whenever I hear new senators make their first speeches in this chamber I do wish that more people would come to the Senate and observe what goes on. I am sick and tired of criticisms of the Senate. A number of new senators were appointed last year and four more this year, everyone of them an experienced and outstanding citizen of this country, able to give practical expression to valuable ideas. Yet it has become a custom on the part of some people to poke fun constantly at the Senate. Many of these critics do not know anything about the Senate. How many members of the Parliamentary Press Gallery ever come to listen to what is said here? Most of them rely on *Hansard* and Canadian Press dispatches for information as to what we are doing.

Hon. Mr. Farris: Are not the newspaper owners to blame?

Hon. Mr. Davies: They probably are. I will tell my honourable friend something. Last year there had been some criticism of the Press Gallery, and during the debate on Senator Croll's proposals for penal reform I defended the Press Gallery very strongly. Then, dealing with some penitentiary regulations suggested by the honourable gentleman from Toronto-Spadina (Hon. Mr. Croll), I said I disagreed with them. Well, despite my defence of the Press Gallery, not one Toronto or Ottawa newspaper even mentioned that I spoke, and the Canadian Press misreported me, saying that I strongly backed the very things which I opposed. Even our own paper in Peterborough said that I agreed with Senator Croll, and the article was published under a large heading.

I want now to speak of some features of the Speech from the Throne.

First of all there is the problem of Hungarian refugees, mentioned in paragraph 8 of the Speech. We all hope that those who have come here will be heartily welcomed and that they will contribute to the development of this country; but, honourable senators, we must not shut our eyes to the fact that the bringing in of these refugees after a more or less cursory medical examination, and paying for their transportation over here, is not unanimously approved by Canadians. I read quite a number of daily newspapers every day—that is my job—and I notice that there have been a great many letters in the papers complaining particularly about the lack of a thorough medical examination, and also quite a few about the free transportation. The question has been asked time and again in letters: "If we can do this for Hungarian refugees, why can we not do something of the same kind for British immigrants? Why can't we bring over more British immigrants and pay their way too?"

As honourable senators know, until recently immigration from the Old Country—which, as some others do, I like to refer to as the "mother country"—had fallen off. This was not through any fault of the immigration officials, who were doing their best, but because at the time there was in Britain almost full employment at very good wages. The pay of agricultural workers over there is set by the Government. In 1939 the Welsh agricultural worker received 30 shillings a week and a cottage rent free. Today he receives 7 pounds 10 shillings a week, with a cottage, for a working day of eight hours, plus time and a half for Sundays. So the farm labour situation has changed. Much the same has

happened in other businesses: everywhere in industry wages have gone up considerably. Thus the people over there are contented. Their costs of living, largely because of moderate rents, are low. Very good council houses, put up partly at the expense of the Government and partly of the municipality, were and are renting for less than \$10 a week. One cannot duplicate that condition over here. I am not sure that I favour assisted emigration from Britain to this country. I have the feeling that the man who has saved his money and accumulated enough to buy tickets for himself and his family will be more apt to settle here, with the intention of being a good Canadian and helping in the development of this country, than if he relies largely or wholly on the Government for his passage money. Canada, unlike Great Britain, has no scheme of national health insurance, which many of them miss. If one goes to a doctor here one has to pay his fees. This condition, and other differences between the two countries, get "under the skin" of some immigrants, and they write letters to the newspapers criticising things they find here. I was astounded recently to read a letter in one of the Toronto papers in which the writer complained that too many Britishers were being brought over, that they did not make good citizens and would not settle down. It was signed by a Mrs. Jones. I wondered what part of Wales this woman came from that she, with a name like that, should be offended at British immigration. Probably she herself came here with the benefit of an assisted passage or something of the sort.

However, as I have remarked, I do not know whether I favour assisted passages. My parents and I came to this country a long time ago. Today the minimum fare ranges from \$160 to \$185, which, comparatively speaking, is a lot of money. When I emigrated to Canada there were three classes—first, second and third. Naturally I came third. It will astonish honourable senators to know that it cost me only \$17.60, at the then rate of exchange, for the ocean voyage and transportation from Quebec to Brantford, where the honourable Leader of the Government (Hon. Mr. Macdonald) resides, and which is 65 miles west of Toronto. At today's rate of exchange the cost of the whole trip would amount to \$10.15.

Hon. Mr. Burchill: In what year was that?

Hon. Mr. Davies: 1894.

Hon. Mr. Macdonald: I suppose that to get to Brantford was well worth the fare.

Hon. Mr. Davies: Indeed it was. Ships in those days boasted no such equipment as two- or three- or four-berth cabins in the

third class. We were in 24-berth cabins. They consisted of four rows, with boards a few inches high, six above and six below on either side. Scant bedclothes were provided, and you didn't bother to take your clothes off; somebody would have stolen them if you did. However, we got over for \$17.60 each, and when we were here we were here. A little later my father brought his family out. It did not cost him a great deal of money but unfortunately when he arrived he was about finished. He had no money to pay his way back, and for eight months he could find nothing to do. So we had a tough time. In addressing one of our staff parties recently, I remarked that no one could tell me anything about two things—poverty and hard work; I knew all about them. For eight months we kept our home going on \$3.50 a week. It is true that in those days house rent was not expensive; in that respect times have changed. But the point is that that is all the money we had to live on, so therefore we lived on it. My father became very discouraged and talked about going back, but my mother, a little Scotswoman who stood about 5 foot 2 inches high and weighed 98 pounds, declared that we were not going back; and when she said that, of course we didn't go back.

I turn now to a question which was raised by the honourable Leader of the Opposition, (Hon. Mr. Haig). The matter of corporation taxes interests me just as much as it interests him. I have often thought that adoption by the Government of a graded scale of taxation would make things easier for the smaller companies. Today, in Ontario and, I believe, all the provinces except Quebec, the tax rate is 18 per cent on the first \$20,000 of net earnings, plus 2 per cent for old age pensions; and 45 per cent plus the old age pensions tax of 2 per cent on profits in excess of that amount. In Quebec, owing to the fact that the province has a corporation tax of its own, the rates are slightly different. I understand, although I am subject to correction by those who are better posted on these matters, that the tax rental agreements have expired and that new agreements have not yet been made. If the Government of Ontario decides to renew the corporation tax which it abolished twelve or fourteen years ago, and if there is to be in addition a dominion corporation tax, conditions will be very serious for some of the smaller businesses. Capital expenditures must be met. It is true that over the years there is an allowance for depreciation, but when one buys machinery one has to pay for it, and very few machinery manufacturers, so far as I know, are content to wait until a company receives its depreciation allowance;

they want to be paid when the goods are delivered. So I would repeat the suggestion that the corporation tax should in some way be graded to provide a little better break for smaller businesses than for those whose profits, as reported in the papers and at their annual meetings, run into millions.

I come now to the subject of inflation, a frightening and confusing word, and a topic which already has been discussed here at some length. I have thought a great deal about it. It is referred to, I notice, in paragraph 12 of the Speech from the Throne. I am not an economist, so perhaps I should not say anything about the subject, but I am always willing to learn, and I want to ask a few questions. There are in the Senate bank directors, directors of financial companies, big financial men, rich men, who probably know far more about inflation than some of the rest of us. Perhaps they will give us an explanation of what it is all about. I must confess my own ignorance. What would happen, for instance, if the suggestion of one of the Government supporters in the other place were adopted? Suppose all of us stopped buying automobiles and furniture. Suppose that every honourable senator, pondering the purchase of the customary three new suits in the spring, decided that he wouldn't buy any this year, and that the members of the House of Commons did the same thing. There would be a lot of tailors out of work. If we did not buy automobiles and furniture many automobile and furniture factory employees would become unemployed. In speaking about inflation the honourable Leader of the Opposition said that if the cost of living index were calculated on the original basis that the period 1935-39 equalled 100, it would stand today at 193.4. Well, what of it? It is eighteen years since 1939. In the meantime wages have nearly doubled in many businesses, so that the wage earner is just as well off today as he was then; his wages have been increasing as the cost of living has gone up.

This word "inflation" is, as I have said, a frightening and confusing word. I would like someone to explain to me what is wrong with a record prosperity and a record employment. It is true that there is seasonal unemployment today, but at the same time I think we have more employment in Canada than ever before, and it is all at good wages. What is wrong with that? Furthermore, if we say to people, "Now, you must not buy furniture or clothes or automobiles" what are we going to say to the Government, which is putting up public buildings all over the place? I am in favour of the erection of public buildings, for if this type of construction is stopped a lot of men will be thrown out of work. A

Government member of the House of Commons, when speaking over the radio about a week ago, said the prospects for 1957 were good. Indeed he thought this would be Canada's best year yet. Then the Prime Minister, when addressing the Canadian Construction Association banquet at Toronto on Monday night, said there is going to be a levelling off. I wish they would get together and make up their minds as to what will happen, then get down to brass tacks and see what can be done about it.

The Leader of the Government (Hon. Mr. Macdonald) told us the other day that Canada sold for cash 150 million dollars' worth more wheat in 1956 than it did in 1955. That is very good indeed. Then the Leader of the Opposition (Hon. Mr. Haig) drew attention to the fact that we buy more goods from the United States than we sell to that country. I do not know whether we can improve that situation. One of the imports that I know about is printing machinery—printing presses, stereotype machines, typesetting machines, and so on. It is very expensive equipment and there is none made in this country. If we want to expand the printing industry and the newspaper publishing business, we must have this machinery and we must bring it in from the United States. Some years ago an attempt was made to manufacture typesetting machinery at Windsor and, I think, at Niagara Falls, but it did not work out. The manufacturers could not make machines of the required quality and keep up to date with all the new improvements, as can be done at Brooklyn, New York, where some of the biggest printing machinery companies operate. They have a large market, and that is where we have to buy.

I should like to quote from the speech made by the honourable Leader of the Government (Hon. Mr. Macdonald) in the Senate last Thursday. Dealing with inflation, he said, as reported on page 42 of *Hansard*:

I feel that if these inflationary tendencies are not checked in some way the situation could be one that might snowball into enormous proportions and have terrible consequences for many years to come.

I wish our respected leader had been a little more specific and told us what the terrible consequences will be if these inflationary tendencies are not checked.

Then he said:

The Leader of the Opposition (Hon. Mr. Haig) has given his warning, and I give my warning, too.

I made this note: "All right, what is to be done? What is the answer to this? Is it that we should stop buying and have unemployment, or go on doing as we are doing now?"

Honourable senators, you can tell pretty well how the public is buying when you see

column after column of advertising in the big daily newspapers. And the reports of the large department stores in our various cities reflect the tremendous increase in their business last year over that of the preceding year. This trend is continuing in 1957.

Now, what is the answer? Should we stop all this? Will it be dangerous not to stop it? I should like to ask a further question, but I do not think anybody will answer it. Does the Minister of Finance decide these things? Does it make any difference whether we have a Conservative Government or a Liberal Government, or does the Treasury Board, a group of experts—I am told there are a hundred of them—sit down and decide what we shall do and what we shall not do? Or are the decisions made by the Department of Finance and by the Cabinet? I do not know, and I wonder about it. I am sometimes inclined to think these decisions are made by the experts who advise the Minister of Finance. I should like to know what they think should be done to control inflation.

At Kingston we are going to have a new Government building costing about \$1 million. We need it. Government officials there are located in a number of buildings. The Post Office and Customs House buildings were erected in 1857, exactly one hundred years ago. As the need for office space grew, the basement of one building was used, and also the attic, but there still is not room enough. The Income Tax employees were housed in the Empire Life building. Then the Empire Life Company expanded and took over the space, so the Income Tax people moved to quarters above a store. Later on, Excise officials took over the space that had been used by the Income Tax branch. That kind of thing has been going on at Kingston for the last ten or fifteen years. Like most industrial cities in Ontario, it is suffering from growing pains. More space has to be found for larger staffs or they will not be able to operate efficiently.

Now, if the construction of Government buildings is not going to be stopped—and I do not suggest it should be—are we going to stop the construction of other types of buildings? Are we to stop people from buying? That is a question I would like to have answered.

I come now to a more congenial subject, the creation of a Canada Council for the Arts, Humanities and Social Sciences. I might say that the two paragraphs which interest me most in the Speech from the Throne are paragraphs 14 and 15. I was very pleased when I read about the generous treatment which the Government is proposing in order to give a new impetus to the development of Canadian scholarship and culture. As a

matter of fact, I was not only pleased but very delighted. I am sure most Canadians are pleased with the proposed Canada Council, whose establishment was recommended by the Royal Commission on National Development in the Arts, Letters and Sciences, popularly known as the Massey Commission. I think all honourable senators will heartily endorse the formation of a Canada Council, which would provide funds for our universities, and other deserving organizations. I believe all our universities are doing splendid work. During the past 50 or 60 years I have lived adjacent to four or five of them at different times, and I know what they are doing. For 30 years I have been intimately associated with the progress of Queen's University. Queen's has decided that it is necessary to expand. That university has had some great principals, namely, Taylor, Fyfe, and Dr. Wallace, who came to us from the west, and was, I think, the best principal we have had since George Munro Grant. I was very sorry when Dr. Wallace passed away. Under the present principal, Dr. Mackintosh, Queen's intends to raise \$5 million for expansion, and expects to get a large grant from the Government through the Canada Council. I am wondering, however, whether our present universities should expand, or if it would not be better to establish a greater number of smaller universities throughout the country. Some may disagree with me. Many young people are not getting to the universities today; I think the reason is not only that the fees are high, but that the cost of living in residence is an obstacle to students who are obliged to live far away from home. The *Toronto Star* of Wednesday, December 26 last, contained an editorial under the caption "Brains Neglected", which referred to a survey of high school students and said, in part:

The survey studied the careers of 10 students with an I.Q. of 115 or more who entered seven Toronto high schools in 1950. A normally bright youngster has an I.Q. of 100, and 115 or more is considered "gifted". It was found that of 21 with an I.Q. of 140 or more, a genius rating, three left high school before grade 12 to go to work, and only 13 went to university. Of 81 with an I.Q. between 130 and 139, or near genius, 33 left before completing high school and only 30 went to university.

I scarcely need to tell honourable senators that if we are going to keep pace with certain other countries we shall have to encourage our young people, particularly the brilliant ones, to enter the universities, by scholarships, by living allowances, or by some other means. I am told by university authorities that it would be difficult to get smaller universities staffed. There is great difficulty in getting staff for universities that are already established today. At Port Arthur, I believe, there is a junior college,

but the city would like to have its own university, and I think it should have one. I heard that a delegation from Peterborough went to Toronto recently to suggest a university at Peterborough. That city is about 100 miles from Toronto, and 130 miles from Kingston. The headquarters of the General Electric Company are at Peterborough, and I am told that officials of this company and of others would like to have a university there. Of course, these institutions cost money, yet I am sure sufficient money could be raised so that the young people in smaller districts could have a better opportunity than at present to continue their education by going to university.

This subject of what I would call "cultural efforts" reminds me of a conversation between two men in Washington as they were passing the beautiful Andrew Mellon Art Gallery. One said to the other, "That is one of my jobs." His friend asked, "Did you design it?" "No," replied the other. "Did you build it?" The reply was, "No, but I helped to dig the foundations." That is the way I feel on this subject. On three different occasions I have stood on my feet in this chamber and appealed for a small grant for the Dominion Drama Festival. That body was just about to fold up when Calvert's distillery came to the rescue by offering to donate funds to enable it to carry on. I was not in favour of the idea, but others were, and the Festival is now kept going with Calvert's assistance.

A number of other organizations need support. In Ottawa for some time we had the Canadian Repertory Company, which did every good work at the La Salle Auditorium. Many people in Ottawa put up money for its support, but the company eventually folded up. Not long ago the Crest Theatre started up in Toronto, and is still doing excellent work, but I am told it has lost \$200,000 so far. In my opinion, other endeavours, as well as the Dominion Drama Festival, deserve support, such as the National Ballet, the Toronto Opera Festival, the Vancouver Symphony Orchestra, the Winnipeg Symphony Orchestra, the Toronto Symphony Orchestra, and the Montreal Symphony Orchestra. These are only a few of the organizations that need support.

Honourable senators, "Man cannot live by bread alone." If we want Canada to become great we must feed the souls of men as well as their bodies. Some of us get joy and inspiration from classical music, such as Beethoven's *Emperor Concerto* or Dvorak's *New World Symphony*. Others get a kick out of Elvis Presley, to whom the honourable member from New Westminster, (Hon. Mr. Reid) made reference last night. I am not worried

about Elvis Presley; he is a passing phase, like many others who have preceded him. Let us not forget that if we were teenagers and went to see him in a big theatre, where a man was walking up and down with a sign marked, "Scream", and everybody else screamed, we would do the same.

Hon. Mr. Reid: We never fainted in our young days!

Hon. Mr. Davies: Anyway, such excitement is not common to the younger generation alone. Many will remember that at the Metropolitan Opera House in New York, in the nineties, after the great tenor singer Jean de Reszke had finished one of his famous arias, society ladies often ran forward to the stage shouting, "Jean, Jean!", and throwing flowers at his feet. What is the difference between that and an excited crowd pulling at the pant legs of Elvis Presley?

Honourable senators, the Arts Council in Great Britain is spending \$2½ million a year in support of the arts. I have seen some of the results, and they have been very good. I am very glad that we are to have a similar council in Canada.

Turning now to the proposed Senate committee to consider what should be done to make better use of land for agriculture, I was disappointed the other day when, as I understood, the honourable leader (Hon. Mr. Macdonald) seemed to have forgotten Ontario when suggesting members for the committee. The honourable leader lives in Brantford, the centre of one of the lush farming districts of Canada. Eastern Ontario is not the centre of lush farming country; in fact, we have a rather barren hinterland in places. I suggest that when drawing up the membership of this committee the leader should not overlook men like the senator from Leeds (Hon. Mr. Hardy), who is one of our biggest dairy farmers, and the senator from Norfolk (Hon. Mr. Taylor), whom I consider to be a real down-to-earth farmer. Eastern Canada needs the attention of this Senate committee. The situation in eastern Ontario became so bad that there was established an organization known as the "Eastern Ontario Soil and Crop Improvements Association." That body has published a progress report, which I have read. The problem seems to be that we do not know what to do with a good deal of our unproductive land. Some of it is suitable for the growing of trees and some is not. The main problem in the hinterland of eastern Ontario is the drainage difficulty, which is costly to correct, especially over rough land.

I know something about reforestation, having planted more than 50,000 trees, some of which will mature in my lifetime and some long after I have gone. It is a well-known

fact that you cannot grow trees on every kind of soil; it is necessary to experiment and understand the type of soil before one can successfully practice reforestation. Today we have forestry schools, which no doubt will be able to supply a good deal of technical data to the committee, and a valuable contribution will be made by its findings.

I was a little worried when I heard the honourable Leader of the Opposition (Hon. Mr. Haig) suggest the other day that the work of this committee would apply to certain provinces only. I took the trouble of referring again to the Speech from the Throne, and I now understand that an investigation will be conducted with respect to poorer land all across Canada. Am I correct in that understanding?

Hon. Mr. Macdonald: The reference to be placed before the committee has not yet been considered by the Senate, and I am not prepared to say what it will include.

Hon. Mr. Davies: Honourable Senators, in conclusion I should like to refer briefly to the preliminary report of the Gordon Commission and what it has to say about the Maritime provinces. I was not particularly worried by the suggestion that in certain circumstances some people in those provinces should be moved elsewhere in Canada, because I do not think there is any possibility of that being done. Some ten years ago I attended a dinner at which a distinguished economist predicted that it would not be long before people in the Prairie provinces would have to be moved elsewhere because they could not make a living in that part of Canada. The Prairie provinces, if you please, which last year produced 494 million bushels of wheat! Well, we have not moved any people from the Prairies, and judging from the standard of living enjoyed by those I know, I should say they are doing very well. I believe the Maritime provinces also will prosper in years to come.

Perhaps the trouble is that the Gordon Commission did not hear the right people in the Maritimes. Of course Maritimers have a technique of their own when they describe their circumstances. There is not much wrong with the economic condition of that part of the country; it is the way the people of the area tell about it that is alarming.

I first visited the Maritimes some forty years ago, along with a group of newspapermen who went down there for a good time. The president of our association lived at Summerside, Prince Edward Island. On the opening day of our meeting the Premier of Nova Scotia addressed us, and he gave us

quite a tale of woe. I will not say that I actually cried in my soup at lunch, but I very nearly did. He appealed to us to try to get something done for the Maritimes. After our meetings our hosts began to entertain us: They took us to receptions and dinners at the yacht club, on trips on magnificent yachts owned by millionaires, and to evening affairs where the ladies wore their diamonds and other jewels. I became bemused.

Well, honourable senators, I think the truth about the Maritime provinces is that the people there like their part of Canada so well they do not want the rest of us to get on to how good it is, because we might go down there and crowd them out. I personally do not think there is any cause for worry about the future of the Maritimes. I believe there are more millionaires per square mile in that part of Canada than in Ontario.

I should like to refer briefly to a news item which appeared in the *Halifax Chronicle-Herald* about a speech made by my old friend Bob Rankin. In part it reads:

He told a Kiwanis Club meeting Monday the section of the report dealing with the transport of Maritimers to other parts of Canada has been "misinterpreted, misquoted and misunderstood". He said it would be "a pretty tragic situation" if residents of the seaside provinces believed the report held nothing for them. He said the Gordon report intimated that the Maritimes can develop their resources to a point where their standard of living equals that of other provinces if the necessary ability and incentive is present.

Let us not forget the great tourist attractions of the Maritimes. We have only to mention the Land of Evangeline and our ladies all want to go there right away. In my opinion Brackley Beach in Prince Edward Island is the finest beach in the world. I never visit that magnificent spot but I am reminded of these words of Rupert Brooke in his poem *The Old Vicarage, Grantchester*:

But Grantchester! ah, Grantchester!
There's peace and holy quiet there.

That was the feeling I had as I sat on the beach with the late Dr. Wallace of Queen's University and we thought and talked about great things.

The Maritimes have an abundance of very fine hotels. I have travelled widely and stayed in many hotels, and I consider some of those in the Maritimes to be unequalled anywhere.

A famous Maritimes attraction is the well known Magnetic Hill in New Brunswick, which gives the traveller the illusion that he is going uphill when he is actually going down. No doubt many honourable senators have been fascinated by this interesting phenomenon.

In short, honourable senators, the Maritimes are such a grand place that I sometimes wonder if I would not have been wiser to have settled there than in Ontario. Certainly, one unforgettable quality of the people of that area is their boundless hospitality. If you are thinking of visiting the east coast, my advice is to indulge in plenty of sleep before you go, because you will not likely get much while there. The Maritimers are a wonderful, warm-hearted people, and I hope the future holds for them much more even than they have had in the past.

Honourable senators, I hope I have not spoken too long. However, in a multitude of counsellors there is wisdom. I have said what I had to say, and I trust you will find something of value in it. If you have enjoyed listening to my remarks as much as I have enjoyed delivering them, we have all had a good time.

Hon. F. Elsie Inman: Honourable senators, it gives me much pleasure to join with those who have preceded me in congratulating the mover (Hon. Mr. Bois) and the seconder (Hon. Mr. Smith) of the Address in reply to the Speech from the Throne. The subjects discussed were interesting and the delivery eloquent, one in French and the other in English. Both our official languages were used, and that is as it should be in this country of ours. I hope it will not be too far in the future when every one in Canada will be bilingual.

May I at this time extend a hearty welcome to the four honourable gentlemen recently summoned to this chamber.

Honourable senators, it is my intention to speak for a few moments about the preliminary report of the Gordon Commission. First may I, on behalf of the Maritime provinces, thank the honourable senator from Kingston (Hon. Mr. Davies) for his high praise of that part of Canada and the people who live there. Really, I felt so overcome by all the fine things he said about us that I wondered whether I would be able to go on with my own speech.

I think perhaps there has been some misinterpretation or misunderstanding of the Gordon report in so far as the Maritime provinces are concerned, and maybe that phase of it has been too widely publicized. But as to the suggestions it makes, I am reminded of the maiden lady of uncertain age who, though having had no experience at all with children, attempts to give advice on the bringing up of children to a mother who has successfully reared a large family. While I have every respect for the opinion of experts, I sometimes think they miss the point. They are somewhat like the man who repeatedly had a flat tire: he kept

patching the inner tube but neglected to remove from the tire the nail which was causing all the trouble.

Something should be suggested to help economic conditions in the Maritime provinces. Incentives should be provided to induce our people to remain where they are instead of encouraging them to move away. In the earlier days the Atlantic provinces were prosperous and booming with big business. Then two things happened: there was great industrial expansion in New England, and the easy immigration laws of the United States caused an exodus from the Maritimes to the industrial areas of New England. This Canadians blame, historically, for the most part, on the call of dollars and greater opportunity; but a further look at it, and an answer to the question, "Why was there greater opportunity in New England?" bring a very simple answer. Business and industry in the Maritimes were on the decline. The answer to a further question: "Why were they in decline when they had been by modern standards rather booming?" indicates that they could no longer compete in available markets.

Further tracing our question as to why they could not compete in available markets brings two answers: First, that the United States' policy of high tariffs to protect their own infant industries was continued until these industries were grown and expanded; and, secondly, high freight rates and high tariffs were foisted on the Maritimes by the more densely populated industrial centres of Upper and Lower Canada, as they were then called. The latter was the only factor that Canadians could control, but they did nothing about it, as far as protecting the economy of the Maritimes was concerned. The West at that time, of course, was not opened.

Without going into the finer details of freight rates, suffice it to say that an exporter in the Maritimes had not only to pay a higher ton-mile rate than comparable shippers in Ontario and Quebec, but he was also required to pay deadhead rates on empty freight cars from the centre of Canada to the Maritimes for lading. Notwithstanding that he had adequate raw materials on hand locally or by sea import and had a cheaper labour market and plant facilities, he could not sell at a profit in these Upper Canadian markets. I have in mind one instance, a boot and shoe factory in the Maritimes, which previously to the high freight rates and tariffs had a large market both in Canada and in the near areas of the United States, but on account of the increased cost of exporting the company was not able to compete with other manufacturers of those commodities

and had to close up. However, during the two World Wars this firm was reactivated and gave employment to many in the Maritime provinces, but it had to close again when those war-time markets ceased to exist. We still have a shoe manufacturing company in Fredericton, whose shoes are fairly expensive and for people in the upper income brackets. Its prices are not practical for the masses, but on account of the top quality and high price of their product the firm has been able to carry on. An adjustment of freight rates would help to a great extent in solving our industrial problems with regard to exports and imports in the Maritimes.

I would like to touch briefly on one matter mentioned in the Speech from the Throne and that is the proposal to recommend in the Senate the establishment of a committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

Now, honourable senators, I wish to say a few words about the Island, and I love to talk about it.

Hon. Senators: Hear, hear.

Hon. Mrs. Inman: In our province of Prince Edward Island we have many, far too many, vacant farms. There are various reasons for this. In some cases young people do not like farming. In a family where there are no sons, there is no one to carry on once the elders are gone. Some of the land is run out and poor for lack of the proper method of crop rotation. Then the two World Wars contributed largely to farms being left to deteriorate.

Another big factor causing this condition in our province and, in fact, in other areas in the Maritimes, is the high cost involved today in the operation of a farm—labour costs, taxes, expensive modern machinery. This is a mechanized age and the farmer following behind an old horse and plow is a sight hardly ever seen anywhere at present. Nor could a farmer using such obsolete methods hope to compete with those farming in a modern way with modern machinery.

If Prince Edward Island is to continue as an agricultural province, some means must be found to bring these vacant and unproductive but fertile lands back into production again. In the small area near where I live in Prince Edward Island there is plenty of room for several hundred families on vacant farms, and I feel that some steps should be taken to induce people to go back to the farms. Incentives should be provided such as better

assistance to those trying to get started on farms, interest rates on farm loans should be reduced, and better markets and transportation should be provided for their products.

I am firmly convinced that the economy of my province would be greatly enhanced if one or more processing plants were located at strategic points. By processing plants I mean plants for the processing of small fruits and vegetables.

Now, honourable senators, it may be due to something in the air over Prince Edward Island, but it is a fact that we produce the most flavourful vegetables and fruits in North America.

Hon. Senators: Hear, hear.

Hon. Mrs. Inman: It has always been a source of annoyance to persons with the best interests of Prince Edward Island at heart to see such delicious fruits and vegetables being shipped to central Canada and there processed and then returned to Prince Edward Island in processed form. It would greatly benefit farmers on small farms if a ready market was available for such crops as strawberries and tomatoes. These can be grown in tremendous quantities in our fertile soil. It seems the height of stupidity to pay freight on the raw produce to distant processing plants and then pay freight on the processed article back to the Island. I should hope that the federal and provincial Governments can get together on some plan whereby one or more processing plants can be established in Prince Edward Island.

From the practicable point of view surely the Maritimes have lost enough young people in the past ten years to other provinces in industrial work. We are suffering at present in the Atlantic provinces from economic escapes, and instead of giving assistance to aid people to leave and establish themselves elsewhere we need assistance to encourage people to stay. The economic value of any country or province is its manpower and the ability of this manpower to develop the natural resources, which alone are useless. We have natural resources in the Maritimes, lots of them, but we need assistance to develop them. The Maritime provinces should get together in their demands, go after aid and assistance as a unit, for in unity there is strength. We must speak as one voice to be effectual.

I look forward to the time when we shall see more of our young people on fine, productive farms or in other vocations, happy and prosperous and at home in the Maritimes.

Now, honourable senators, I should like to speak for a few minutes on the tourist industry, or tourism, as it is called. What does this business mean to Canada, and especially

to the Atlantic provinces? The closer we look at the past in this field of economic values, the closer we must look at the present, and ask what the future holds for Canada's hospitality industry. We need more federal aid for promotional work. The setting up of a departmental branch in the provinces where tourism is big business is a first and great need; then, wider newspaper, magazine, radio and television advertising. "See Canada first" is the idea. It is interesting to note in passing that New Zealand was the first country in the world to establish a tourist department. One has been in existence there since the beginning of the century.

We need more development of historical sites, and we have many historical sites in Canada which could well be developed as tourist attractions. We need improvement in food in some areas; also in accommodation and transportation. It would seem to me that we should have better general organization of the tourist traffic if we are to build up Canada as a favourite vacation land and place to visit. Tourism can have a large place in the economy of this country, but certainly not while millions more of tourist dollars are going out of Canada than are coming in. Canadians are the world's greatest travellers.

While Newfoundland has mineral wealth, probably in very great quantities yet unexplored, the other three Atlantic provinces are restricted with regard to many major industries, as we have not raw materials such as iron, copper and other ores in such large quantities as are found in northern Ontario, Quebec and Labrador. But we do have all the facilities for tourism which, with assistance, could be developed into a major industry and would bolster our Maritime economy. We have everything which, if developed, could provide enjoyment for countless numbers of tourists. Each province of the Maritimes has its own special appeal as a vacationland, and that which brings prosperity to one part of Canada must, although perhaps in an indirect way, confer prosperity on Canada as a whole.

With the advent of automobiles and aeroplanes more people are able to travel greater distances in short periods of time. Formerly, travel was the privilege of a small minority, and catering to the travelling public was a purely local interest. Hotels and inns were built in view of the needs of the location and the neighbourhood. Tourism then was an industry open to few operators, and they were practically exempt from outside competition.

Not so today. Americans and others looking for a good vacationland have many

choices, and Canada must now sell to travellers and tourists the idea that she has what they seek. Also we must create interest in things to see, especially historic places and sites.

Speaking of Prince Edward Island, my native province, I may say that it is a land of enchantment, offering a delightful climate, unlimited beautiful beaches, and the finest bathing to be had north of Florida. It is becoming an increasingly popular vacation resort. It is one of the oldest of the Canadian provinces, for its history reaches back to 1534, when Jacques Cartier landed on its shores. Here one may find many of the old traditions and customs inherited from the hardy pioneers who made this little fertile Island their home. No part of the Island is very far from the sea, with wide sandy beaches and warm salt water. There is also plenty of good horse-racing in this Kentucky of Canada for those who enjoy the sport of kings. Night racing is a favourite entertainment, and the Island is one of the few places where sulky racing is carried on.

The province is, of course, the cradle of Confederation, and the small Confederation chamber is of great historic interest to visitors. The chairs and table and most of the furniture used by the Fathers of Confederation are still intact in this room.

We also have a national park which is now a real holiday heaven, but we need to have it extended. Indeed, all of Prince Edward Island could well be developed as a park, and the results, I am sure, would justify the outlay.

We can offer our visitors the finest deep-sea fishing to be found in the Atlantic provinces, for we have the Gulf of St. Lawrence on the north and Northumberland Strait to the south.

For beauty of situation and invigorating air, for boating and swimming, for variety of fishing and shooting in season, for hospitality and friendliness, Prince Edward Island cannot be surpassed as a vacationland; and those in search of peace, rest and health, recreation or ease will find all of these things in this scenic million-acre farm, this green fairyland cradled in the Gulf of St. Lawrence, and so generously endowed by nature. The federal Government has looked toward the Maritimes in this respect to some extent, but it could well take a second look and give further assistance in building up this growing industry, which is on its way to becoming one of the major industries not only in Canada's smallest province but in all the Atlantic provinces.

We have the potentialities for a great future in the Maritimes. Let us see that something is done to develop these opportunities.

On motion of Hon. Mr. Gershaw, the debate was adjourned.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 14 to 34, which were presented yesterday.

Hon. Mr. Roebuck, Chairman of the committee, moved that the reports be adopted.

The motion was agreed to, on division.

PRIVATE BILL

LIFE UNDERWRITERS ASSOCIATION OF CANADA—SECOND READING

Hon. Arthur W. Roebuck moved the second reading of Bill J, an act respecting The Life Underwriters Association of Canada.

He said: Honourable senators, a very short explanation will, I think, suffice. The bill proposes to amend Chapter 104 of the statutes of 1924 which incorporated The Life Underwriters Association of Canada. It is an organization for the benefit of those engaged in the insurance business. Among its objects are the following: to promote the welfare of its members in such manner as the association may decide; to hold such examinations on the principles and practice of life insurance or general educational attainments as may be found expedient; to grant certificates of efficiency to its members; to authorize the use by such of its members as it may designate of the title and description "Chartered Life Underwriter of Canada".

This is just an organization of a somewhat social and educational character for the benefit of those engaged in this particular business.

The association had been in existence for a number of years prior to its incorporation in 1924, and during those years it acquired a building on Richmond Street in Toronto, then valued at something less than \$100,000. However, 1924 is not 1957, and during the interval the value of that property has increased very materially. It is doubtful what the present value of it may be, but it is probably very much more than \$100,000.

In the act of incorporation there appears this paragraph:

The executive committee may, in the name and on behalf of the association take, hold, possess and acquire by purchase, lease, exchange, donation,

devise, bequest, endowment or otherwise, real or immovable property required for the actual use and occupation of the association, or necessary or requisite for the carrying out of its objects; and may sell, mortgage, pledge, hypothecate or alienate such property in any manner whatever.

That, of course, is a power which is given to nearly all such organizations, to hold property, not for speculative and mere holding purposes but for their own use.

In the act of incorporation there is also this paragraph:

The total value of the real property held by or in trust for the association at any one period shall not exceed one hundred thousand dollars.

There is a further provision in the act whereby no property acquired by the association and not required for its actual use and occupation shall be held by the association for a longer period than ten years after its acquisition, or after it ceases to be required for the association's use or occupation. In such cases the property must be sold within ten years of its acquisition. This provision of the act is in no way affected by the proposed legislation.

The real purpose of the bill before us is to relieve the association from selling the building which it has occupied for a great many years, and which now may well exceed the monetary limitation of \$100,000 allowed under its act of incorporation. The bill proposes to remove section 12(2) of the act, which I have just read, and to substitute therefor the following section:

There shall not be, and shall be deemed not to have been in the past, any limitation on the total value of the real property held by or in trust for the association in accordance with subsection (1) of this section.

There are many precedents of associations of this kind being allowed to hold property of any value so long as it is for their own use and occupation. Not many such associations are subject to any limitation in this respect.

If honourable senators give second reading to this bill I will move that it be referred to the Standing Committee on Banking and Commerce. I suppose it could go to the Standing Committee on Miscellaneous and Private Bills instead, but legislation having to do with insurance usually goes to the Banking and Commerce Committee and, unless there is any objection or advice on the point, I propose to move that the bill be referred to that committee. When it is before the committee various precedents can be asked for—I could give them now but they are numerous—of associations of a character such as this being allowed to hold property for their own use and occupation without a specific limitation upon the value of the property.

In view of the fact that for many years no further property has been acquired by this association, and it is not now proposed to acquire further property but only to continue occupying that property which has been occupied in the past, I can see no reason why the association should not be given the widest possible rights in that regard.

Hon. Mr. Isnor: Does the association occupy the whole of the building?

Hon. Mr. Roebuck: I know it occupies the building for its own use and in the same form that it has occupied it for many years past, but whether it rents out a portion of it I cannot say. If that question is important it can be answered when the bill is in committee.

Hon. Mr. Haig: Is there not a limit on the time during which insurance companies can hold such property?

Hon. Mr. Roebuck: I can cite a great many precedents where that is not so. The restriction seldom applies. Very few acts of incorporation put a limitation on property used by these associations.

Hon. Mr. Connolly (Ottawa West): Under the mortmain laws of Ontario a company of this character which is not incorporated in Ontario usually requires what we call a licence in mortmain. If the value of the property exceeds the amount that the company is authorized to hold by that licence, there is a danger of forfeiture. Perhaps information in that regard applying to the bill before us is not readily available today, but we might make an inquiry about that when the bill is in committee. If forfeiture takes place, then the company is without its property, which goes to the Crown.

Hon. Mr. Roebuck: And the company is in pretty bad shape.

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Roebuck: Well, this company has a licence in mortmain from the province of Ontario.

Hon. Mr. Connolly (Ottawa West): Is the amount specified in the licence more than \$100,000?

Hon. Mr. Roebuck: I do not know that.

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

REFERRED TO COMMITTEE

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, January 24, 1957

The Senate met at 3 p.m., the Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 58 to 68, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill U, an Act for the relief of Anita Marinier Shaver.

Bill V, an Act for the relief of Mary Matilda Chatfield Eldridge.

Bill W, an Act for the relief of Jack Stevenson Chalmers.

Bill X, an Act for the relief of Phyllis Minnie Reid Foster.

Bill Y, an Act for the relief of Harry Leo Metham.

Bill Z, an Act for the relief of Dorothy Cumming Ryan.

Bill A-1, an Act for the relief of Robert Allan Taylor.

Bill B-1, an Act for the relief of Eta Krupnick Caron.

Bill C-1, an Act for the relief of Camille Emile Bunlet.

Bill D-1, an Act for the relief of Catharina Lassahn Schwartzje.

Bill E-1, an Act for the relief of Lewis George Joy.

Bill F-1, an Act for the relief of Harvey Clifford Yetman.

Bill G-1, an Act for the relief of Marie Rose Lina Patricia Guertin Theberge.

Bill H-1, an Act for the relief of Jean Prefontaine.

Bill I-1, an Act for the relief of Emma Rosetta Rule Fuglewicz.

Bill J-1, an Act for the relief of Joan Monica Evans Schwarz.

Bill K-1, an Act for the relief of Diana Mary Beatrice Glassco Cumming.

Bill L-1, an Act for the relief of Edith Chatfield Gossage.

Bill M-1, an Act for the relief of Mary Frances Crosbie Kirkham.

Bill N-1, an Act for the relief of Francoise Yip Lim Lesage.

Bill O-1, an Act for the relief of Elizabeth Trefry Cahusac.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

The motion was agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's Speech at the opening of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. F. W. Gershaw: Honourable senators, —

Hon. Senators: Hear, hear.

Hon. Mr. Gershaw: —first of all, I wish to congratulate the mover (Hon. Mr. Bois) and the seconder (Hon. Mr. Smith) of the Address for their excellent speeches. My acquaintance with the seconder is not of yesterday, and I am sure that his knowledge of western affairs will be of great value to this house.

May I also in a very humble way extend my welcome to the new senators who have recently come to this chamber. I feel sure they will enjoy the good fellowship and friendliness which is evident here, and that they will appreciate the opportunity which membership in the Senate gives them to contribute something to the welfare of the Canadian people.

I suppose it might be regarded as my duty to say something about western hospitality and to make some reference to the vast richness of the province of Alberta. Indeed, it is rich: no less than 450,000 barrels of oil are taken out of the ground every day, and there is an estimated reserve of from 14 trillion to 16 trillion cubic feet of gas. Even that does not tell the whole story, for more is constantly

being discovered. I might also say something about the crags, canyons and waterfalls, and the breath-taking scenery in such mountain resorts as Banff, Jasper and Waterton Lakes. However, on this occasion I will leave those things aside, and talk briefly about highway traffic accidents.

Every year 2,500 persons in Canada lose their lives through highway traffic accidents, as a result of which friends are saddened and homes left desolate. On every long weekend we read in our news columns of some 50 or more persons having been killed on our highways, and several hundred injured. The injured add to the already congested hospital accommodation, and many suffer considerable pain, to say nothing of the expense to themselves. It is interesting to note that 10 per cent of traffic injuries result in permanent partial disability.

Traffic accidents are the sixth major cause of death in Canada today, and it is particularly amazing to learn that they are the most common cause of death among persons of 28 years of age and younger.

The responsibility for this devastation of life and limb is failure of material or of personnel. Failure of material involves bad road conditions, bad weather and poor visibility, mechanical defects of the automobile, and so on. However, generally speaking, the present-day automobile is a pretty reliable machine, and most accidents occur when weather and road conditions are good. So it would appear that in the responsibility for accidents the personal element is the more important one; and that includes violation of highway warnings and traffic regulations as well as the physical or the mental condition of the driver.

Speeding is the most common cause of trouble; it is a factor in 30 per cent of the accidents. There is something peculiar about speeding because the field of vision is narrowed in direct relationship to the speed of the car. A person standing still or in a stopped car has a peripheral vision of about 180 degrees. If he is going at 40 miles per hour the field of vision is narrowed to about 70 degrees, and at about 60 miles per hour it is narrowed to, say, 40 degrees, so he can see only what is ahead of him in a narrow way; and under those conditions if he turns his head for a split second he travels a considerable distance without seeing where he is going. Then there is such a thing as high-speed hypnosis, which means that a driver going at a fast rate of speed does not react as quickly as he should. As the stopping distance of a car increases in direct ratio to increase in speed, a driver travelling fast and unable to react promptly in an emergency

may go into a ditch or over an embankment, or collide with a post or another car.

One driver out of every fourteen involved in a fatal accident has some physical defect. He may be suffering from want of sleep after long hours of driving, or from fatigue due to emotional disturbances, or it may be that he has taken too large a dose of the tranquilizing drugs which are used so commonly at the present time.

Alcohol also is a cause of impairment, both of drivers and pedestrians. The fact is that in about one-quarter of the number of accidents in this class alcohol is one factor. It is not easy to tell whether a person is impaired by alcohol or not. There are some tests, such as smelling a person's breath, or asking him to walk along a chalk line or to tell the time to the exact second, but those methods are not exact. The way to tell is to determine the percentage of alcohol in the blood. That is not a very easy thing to do, but at present some sensitive instruments are being devised for determining the alcoholic content of the blood by testing the breath. If the content is from .05 to .15 per cent a person is perhaps all right, but if it is more than .15 per cent his judgment is interfered with and he is liable to react very slowly in case of an emergency.

There are some people who have a proneness to accidents. The explanation is hard to find, but it is a fact that some people are involved in accidents quite often.

It is interesting to observe just how injuries are caused in a highway accident. If a fast-travelling car strikes an obstruction, the car stops but its occupants keep on going and, if not thrown out, are hurled violently against hard objects in the car. The driver, for instance, may be flung against the steering wheel or the dashboard. If he strikes the steering wheel he may sustain fractured ribs, and if thrown against the dashboard he may receive abdominal injuries, such as rupture of the liver, spleen or kidneys. His face may be dashed against the windshield, resulting in fractures of the facial bones, lacerations or even unconsciousness.

There is another factor: if a body is going violently in any direction and is suddenly stopped, the head keeps going, and this causes the so-called whiplash injury which we see quite often. Those who served on the "hanging committee" last year will understand the mechanism of this. When the head goes forward, backward or sideways, damage is caused to the upper vertebrae or discs; a vital centre can be affected, and instant death may result from these whiplash injuries.

What we must think about in these cases is a safety device which will do something

to reduce the mortality and morbidity of accidents. A safety belt is of value if it is attached, not particularly to the seat, but to the frame of the car. It is conceivable that if there is an upright support from the back of the front seat it could prevent some whip-lash injuries. Possibly a non-rigid dashboard or a non-rigid steering wheel would be of advantage too. The medical associations in Canada are becoming alarmed about the number of accidents. They feel that there should be more warnings and more publicity, and that greater study and thought should be given to the causes of these accidents and their results. I believe also that more educational work should be carried on, by organizations such as the St. John of Jerusalem Ambulance Association, in the principles of first aid, so that help could be given right on the spot. The position in which a person is sitting in the car may indicate the nature of his injuries. If he is sitting cross-legged he is more likely to have a fractured or dislocated hip. The Canadian Medical Association has gone so far as to set up a Traffic Accident Research Foundation, in the hope that it will contribute something helpful, and they desire that as much warning as possible along the lines I have indicated shall be given.

If I may be pardoned a personal reference: Medicine Hat, the city I come from, has a population of 20,000, very narrow streets and a great number of cars, but there has not been a fatal accident there for two or three years. This result has not come about merely by itself. A continuous campaign has been carried on by the newspapers, by the radio broadcasting office and by police officers to ensure that traffic regulations are observed. Unlike what may be seen so often in Ottawa, our people do not walk across the street against a red light. The regulations are adhered to because the authorities have the co-operation of the public; and we are proud of our fatal accident record, which is about the best in Canada.

Successful preventive action helps to create happiness in the homes of the people. We all pray that war, with the loss of human life it brings, will never come again; yet our traffic problems and the violation of traffic rules cause many fatal and non-fatal accidents, some of which could be avoided.

The Speech from the Throne proposes that the Senate establish a committee, composed of members who are acquainted with agricultural problems, to study what should be done to make better use of land for agriculture. I should like to indicate briefly what has been done along this line in the last few years in western Canada.

Back in 1935 the Prairie Farm Rehabilitation Act was passed, its object being to rehabilitate the drought-stricken and soil-drifted areas of the west. Amendments to the act, passed in 1937, 1939 and 1941, greatly enlarged the scope of activity under the act, and at the present time the act is administered by a large organization, which includes a Land Utilization Branch and a Water Development Branch. The administrative headquarters is in Regina with directors' offices for the Water Development Branch, the Engineering Service Branch and the Community Pasture Branch. There are also regional offices in Kamloops and Winnipeg, and about 18 district offices spread throughout the western provinces.

The first objective under the act was to rehabilitate people in that great area lying between the Red River on the east and the Rocky Mountains on the west, and extending from northern Saskatchewan to the international boundary, part of which is designated as the Palliser Triangle. As long ago as 1857 Captain Palliser and some associates, on behalf of the British Government, made an investigation of that country and marked out a triangular area that in his opinion was unfit for human habitation. In this area the rainfall is only from 8 to 16 inches per year, and what there is of it usually comes at the wrong time. It was the great buffalo grazing ground of bygone days.

The soil had been lying there for ages, and in the early part of this century land-hungry farmers began to work the land. The Indians and ranchers in the area claimed that the farmers turned the soil the wrong way up; and indeed for many years it seemed they had. Although there have been some good crops in the last five years, crop failures used to be so regular and disastrous that ruin and despair came to many of the farmers who settled there.

Under the Land Utilization Branch one and three-quarter million acres of sub-marginal lands have been enclosed in community pastures operated as 62 separate units. Last year pasture was provided for 108,537 head of livestock belonging to 5,632 persons in that region. This work is gradually expanding.

The Water Conservation Board has been interested in establishing small water-development schemes, larger irrigation schemes and special projects. There are thousands of these smaller projects scattered all over the vast area of the Prairie provinces, and last year alone 752 of these projects were completed with P.F.R.A. engineering and financial aid. These consisted of dugouts, stock-watering dams and

small irrigation schemes. The farmers have a personal interest in all this, taking an active part in and contributing their own money toward these individual and farm-neighbour projects. The financial assistance paid out last year was \$95,000, which was about half the construction cost of the projects.

Last year 33 community projects, each costing over \$5,000 and each benefiting more than two farmers, were started. Of these, 22 were completed at a cost of \$200,000.

Work has also been carried out on the larger schemes, and about a million acres are now under irrigation with a reliable supply of water coming down from the east slope of the Rockies to irrigate 3 million acres altogether, which would represent about 5 per cent of the cultivated land in the area.

The greatest benefit of these schemes is obtained where the land is fertile although the rainfall is deficient, where the contours of the land permit easy irrigation, where there are gentle slopes which do not require too much grading, and where there is a lot of sunshine and a long frost-free period. This area enjoys 122 frost-free days, a period which permits special crops like peas, corn and sugar-beets to be grown successfully.

The policy has been to construct the cheaper projects first. The big St. Mary's project has been almost completed, toward the cost of which the federal Government contributed \$10 to \$12 million for construction of the main reservoirs and the connecting canals. The province has distributed the water at a similar cost, at the same time trying to recover some of the money by charging water fees.

These irrigation structures and the work of the P.F.R.A. are justified because of their permanency. One hundred years from now our western oil supplies may be gone, and gas pockets may be exhausted. The land may need annual replenishment of its essential chemicals; but the vast St. Mary's reservoir, held back by the largest dam in Canada, will hold sufficient water to irrigate a half million acres of land. Without irrigation this land produces relatively little. Eighty acres of it, adequately irrigated, will give a family a good living, whereas before irrigation a family would starve on 640 acres, and it took from 30 to 40 acres of grass to feed one animal. If the land is properly irrigated a farmer can grow vegetables and have dairy and poultry products for his family, and, above all, his family can enjoy the benefits of community life.

Honourable senators, in the light of the knowledge gained so far, let us hope that

when this committee on land is set up it will work out plans that will result in a higher standard of living and a better social life for a very worthy class of our Canadian people.

On the motion of Hon. Mr. Cameron, the debate was adjourned.

PRIVATE BILL

TRANS MOUNTAIN OIL PIPE LINE COMPANY— SECOND READING

Hon. Stanley S. McKeen moved the second reading of Bill I, an Act respecting Trans Mountain Oil Pipe Line Company.

He said: Honourable senators, this is a very simple bill; its purpose is to subdivide each of the company's shares without nominal or par value into five shares without nominal or par value. The reason for splitting the shares is this: when the original bill was introduced there was a strong feeling that the public of Canada were not given an opportunity to share in the equity of enterprises of this character, and although the promoters of this company were quite prepared to put up all the money required to build the pipe line they felt it would be a good idea for the general public to participate to the extent of approximately one third. At that time shares were issued for ten dollars each. The selling price at the present moment is \$108 a share. By subdividing these shares and issuing five for one a wide distribution will be ensured, and there will be greater participation by the general public. That is the only purpose of the bill.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. McKeen, the bill was referred to the Standing Committee on Transport and Communications.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 35 to 57.

Hon. Mr. Roebuck, Chairman of the committee, moved that the reports be adopted.

The motion was agreed to, on division.

PRIVATE BILL

CANADIAN PACIFIC RAILWAY COMPANY— SECOND READING

Hon. Paul H. Bouffard moved the second reading of Bill S, an Act respecting Canadian Pacific Railway Company and certain wholly-owned subsidiary companies.

He said: Honourable senators, this bill is similar to one which was presented last year, and its purpose is to amalgamate certain wholly-owned subsidiaries of Canadian Pacific Railway Company. The company owns all the issued capital stock and bonds of these subsidiaries, and all the companies are operated by Canadian Pacific under long term leases as part of its system. A similar bill introduced last year amalgamated 13 companies; the bill now under consideration is intended to amalgamate 12 companies. The object is to simplify the corporate organization of Canadian Pacific Railway Company, and to get away from considerable legal complications and expenses. For example, several meetings of directors and shareholders would no longer be necessary, and the keeping of several sets of books would be avoided.

A bill will be introduced at the next session to amalgamate 12 other companies, and that will complete the reorganization. Canadian Pacific Railway Company is assuming all the obligations as well as the rights of all of these companies which are to be amalgamated or dissolved, so that no one will lose anything through the reorganization.

All these companies are under the jurisdiction of the Board of Transport Commissioners.

Honourable senators, if the bill is given second reading I shall move that it be referred to the Committee on Transport and Communications. There is no objection at all to the bill by the Department of Transport, or any other department. Representatives of the Department of Transport will be present at the committee to answer questions, but if any honourable member wishes further information now I shall be glad to furnish it, for I have all the details here.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Bouffard, the bill was referred to the Standing Committee on Transport and Communications.

DIVORCE BILLS

SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill K, an Act for the relief of Dorothy Amelia Ashmore MacDonald.

Bill L, an Act for the relief of Dorothy Frances Auger DeJacobis.

Bill M, an Act for the relief of Patricia Jean Jones Robinson.

Bill N, an Act for the relief of Gwendoline Stedman Adrain.

Bill O, an Act for the relief of Joyce Bernice Good Taylor.

Bill P, an Act for the relief of Jessie Pearce Meti.

Bill Q, an Act for the relief of Maud Lenore Wheeler Lanctot.

Bill R, an Act for the relief of Patricia Anne Wylie Houstoun Patience.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

DIVORCE RULES

AMENDMENTS RECOMMENDED BY COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the thirteenth report of the Standing Committee on Divorce.

Hon. Arthur W. Roebuck moved that the report be adopted.

He said: Honourable senators, this is the committee's report which, as I stated when tabling it a week ago, recommends amendment of the Senate Rules on divorce. The text of the report appears in the Senate *Hansard* and *Minutes of the Proceedings* of January 17, and possibly some honourable senators have studied it in detail. May I assure all honourable members that the proposed amendments were drawn with a very great deal of care by three outstanding officials of this house, namely, Mr. J. F. MacNeill, the Clerk, who has had long experience in these matters; Mr. E. R. Hopkins, our capable Law Clerk and Parliamentary Counsel; and Mr. Harvey Armstrong, Chief Clerk of Committees. The amendments have been approved unanimously by the Senate Divorce Committee, the members of whom, of course, are very familiar with the working of the Rules, and the amendments are now before the Senate for its consideration. From what I have learned, and from the comment I have heard, the amendments have met with the approval of those best qualified to pass on them, that is, lawyers and others familiar with the situation. It seems to me, therefore, that I can pass over the mere details rather rapidly.

As I said on January 17, we are proposing only two major changes in the Rules. One is that the respondent who replies to a petition and seeks to oppose it shall give a short and concise statement of the facts upon which he or she relies. That requirement is so

obviously reasonable that one almost apologizes for suggesting it. I used the word "atrocious" in describing the present Rule which permits the respondent merely to give notice of contestation. Both the Divorce Committee and the petitioner are entitled to know the grounds upon which the respondent intends to contest the petition.

The second major change proposed, and perhaps a more controversial one, is the requirement that the co-respondent be named when he or she is known. This matter has been thoroughly debated in the provincial courts, and I know of no court which permits such loose pleading as that allowed at present by the Senate.

With that short explanation, honourable senators, let me proceed to review the details of the proposed amendments as rapidly as I can. To begin with, if honourable senators will refer to page 43 of *Hansard* they will see there the proposed amendments to the Rules printed as an appendix to the debates of January 17.

The present Rule 135 requires, among other things, that 25 copies of the evidence taken before the committee in each case be retained for purposes of record and reference. We are informed by the officials that many fewer than 25 copies are required. When we retain 25 copies of the evidence in 300 or 400 cases, one can see the bulky reserve which year by year is being built up. Our officials are quite satisfied that 10 copies would meet all reasonable demands, so it is proposed that the Rule be changed to that effect.

The proposed new Rule 137 requires that the petitioner serve not only the respondent but also every person with whom a matrimonial offence is alleged to have been committed. The second paragraph of the new Rule reads:

If the residence of the respondent or the name or residence of a co-respondent is not known, or personal service cannot be effected, then, if it is shown to the satisfaction of the Committee that all reasonable efforts have been made to effect personal service, and, if unsuccessful, to bring such notice and petition to the knowledge of the respondent or co-respondent, what has been done may be deemed and taken by the Committee as sufficient service.

The pertinent portions of the proposed new Rule 139 provide:

The petition of an applicant for a bill of divorce shall be fairly written and signed by the petitioner and shall include the following particulars in the order indicated:

(e) the matrimonial offences alleged, these to be set out fully and precisely in separate paragraphs including, wherever possible, the name and address of every person with whom a matrimonial offence is alleged to have been committed, and omitting vague allegations such as "at divers times and places".

I know of no court that would tolerate pleadings which lacked a precise description of persons, times and places.

(g) where the name or address of any person with whom a matrimonial offence is alleged to have been committed is stated to be unknown, a statement that every reasonable effort has been made without success to ascertain the name and address of such person, together with particulars of the efforts which have in fact been made.

To complete the picture I should read paragraph (v) of section 3 of new Rule 139:

3. The copy of the petition served upon the respondent and any co-respondent shall have endorsed thereon, or appended thereto, the following information:

(v) a concise statement of the material facts upon which the respondent (or co-respondent) relies in answer to the petition.

I should also at this time read section 4 of that Rule:

4. Notwithstanding anything contained in these Rules, the Committee may upon application by or on behalf of the petitioner, if it considers it desirable to do so, order that the naming of, or the service of documents upon, a co-respondent be dispensed with.

That, honourable senators, is a proposal along the line of practice in the courts in the province of Ontario.

Hon. Mr. Macdonald: To what rule does my friend refer?

Hon. Mr. Roebuck: I have just read section 4 of the proposed Rule 139. Briefly, the proposal is that a petitioner who brings a petition against a respondent and an unknown person shall demonstrate to the Divorce Committee by affidavit or solemn declaration the fact that efforts have been made to learn the identity of the unknown person, and to give reasons why he or she is unknown, or, if known, why the name should not be divulged. We visualize that at the opening of each session of Parliament appropriate affidavits will be received and read, and that perhaps the parties will be called before the Committee to make an explanation in cases in which there is any doubt. However, the successful administration of the rule will no doubt depend to no small extent upon the wisdom of the Committee. So far, honourable senators, you have never questioned a report filed by the Committee since I have been a member.

At this point I will digress to read two relevant Rules of Practice of the Supreme Court of Ontario:

775. Unless otherwise ordered every person with whom adultery is alleged to have been committed, whether such adultery is alleged as the cause of action or by way of revival of a prior matrimonial offence which has been condoned, shall be made a defendant in the action if living at the date of the issue of the writ.

776. (1) If the name of any person with whom adultery is alleged to have been committed is unknown to the plaintiff at the time of the issue of the writ, a Judge, on being satisfied that all

reasonable efforts have been made to ascertain the name, may grant leave to the plaintiff to issue the writ without adding such person as a defendant.

Of course, the Committee on Divorce does not sit at all times when the courts are sitting in the provinces, so it has been thought impracticable to follow the exact form of the Ontario law. We propose that the Committee shall be satisfied by affidavit filed, and later on by personal appearance if necessary.

Hon. Mr. Connolly (Ottawa West): May I be permitted to ask the honourable gentleman a question at this point? Assuming an affidavit is filed, is permission actually to be sought of the committee to proceed without naming the co-respondent, and must permission be given before the pleadings are filed?

Hon. Mr. Roebuck: Not before the pleadings are filed, but certainly before the case is heard. Most of the pleadings will be filed during the recess, and at the commencement of the following session these affidavits will be reviewed by the Committee or a subcommittee of the general Committee, as may be arranged by the Committee itself; and, where necessary, if the affidavit is found to be not satisfactory, the parties will be notified to make a personal appearance.

Hon. Mr. Connolly (Ottawa West): In other words, if the affidavit is not satisfactory, then the party who desires to proceed without naming the co-respondent would not be able to have his case heard unless he amended his pleadings and named the co-respondent, in fact he could do so.

Hon. Mr. Roebuck: That is, if the Committee thought the co-respondent should be named.

Hon. Mr. Aseltine: In that case the papers would have to be served all over again.

Hon. Mr. Roebuck: The papers, so far as the co-respondent is concerned, would have to be served. So the litigant had better be careful how he deals with this matter of pleading, as careful indeed as he would be in the courts, because there they slap him down without very much hesitation.

Hon. Mr. Connolly (Ottawa West): I am just a little bit concerned as to whether the position has been clarified. The point is this, that in the event the affidavit evidence is not sufficient and the Committee decides the co-respondent should be named, then if the petitioner is unable to name the co-respondent the case will not be heard.

Hon. Mr. Roebuck: It will not be heard until he makes service on the co-respondent, or until the Committee is satisfied that this cannot be done.

Hon. Mr. Macdonald: But I understand the Committee will hear counsel for the petitioner.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Macdonald: The Committee will not merely consider the affidavit that has been filed, but counsel for the petitioner will be permitted to come before the Committee and explain the facts set forth in the affidavit?

Hon. Mr. Roebuck: Yes. He will be permitted on all occasions to do so if he wishes but, if the affidavit is sufficient, obviously there is no need for bringing counsel to repeat the affidavit. So, as I visualize it, if the affidavit is all right we will let the case proceed, but if the affidavit does not show reasonable cause we will call counsel for the petitioner before us and allow him to argue and explain, and he may convince us.

Let me illustrate the situation briefly out of something that occurred just this morning during the hearing of a case by the Committee. The co-respondent was not named in the petition. He was described as "a person unknown", but in the evidence it was suggested that the co-respondent was a well-known athlete. There we were listening to evidence, which was being reported in shorthand, to be printed later and to be circulated to 265 members of the Commons, if they wished to have it, and to all members of the Senate, 100 or so, with 25 copies to remain on record and 10 copies for each for the parties—literally hundreds of copies—and the person who was accused had no knowledge of the proceedings. He was not there, and, not having been notified, he may not have had the opportunity of being there. Now, that is a drastic situation. I will tell you what we did. We ordered that the identity of the co-respondent be not made clear in the evidence, because it is so unjust to accuse a man as co-respondent and give him no chance to defend his reputation. If he is guilty, why then I suppose it does not matter, but we have no right to assume guilt on the part of anyone, and even if he is guilty, I think British jurisprudence provides that he shall have a right to defend himself.

Now, honourable senators, I pass on to the next point. I have already referred to section 3 of Rule 139, which provides for a concise statement of the material facts upon which the respondent or co-respondent relies in answer to the petition. If you will turn to our present Rules, at page 9, section 139 (5), you will see that the following is all that is now required:

The copy of the petition served upon the respondent shall have endorsed thereon, or appended thereto, the following information:

Hon. Mr. Baird: Do not the courts in Ontario also operate at a loss?

Hon. Mr. Roebuck: Yes. The fees in the provincial courts are much less than here. We charge more than the courts. I am not considering solicitors' charges when I speak of the expense of processing a petition. The petitioner may have to pay in addition a considerable amount to his lawyer. My impression is that our fees are about as high as they reasonably should be, but, if any honourable senator cares to propose an increase, I have no doubt we will consider the matter very carefully. At present we have made no move in that regard.

New Rule 142 makes no real change in the existing practice. At the present time the Committee is supposed to review the pleadings, the advertising and what not, to see that everything is regular. At the beginning of each session we pass a resolution transferring those duties to the Chief Clerk of Committees. So Rule 142, as rewritten, regularizes to some extent and confirms the practice that has been followed in the Senate Committee for a very long time.

Section 4 of the proposed new Rule 142 reads:

If the circumstances of the case seem so to require, the Committee, before proceeding to hearing and inquiry as hereinafter required, may make such order as to the Committee seems requisite and just for effecting substitutional service by registered letter or otherwise.

As honourable senators are aware, that is a proceeding followed by courts almost everywhere; where the defendant cannot be found, substitutional service is permitted in proper cases.

Let me illustrate what we do here. A two-man committee composed of the chairman and a member of the Standing Committee on Divorce—in this instance, although not necessarily so, the honourable senator from Huron-Perth (Hon. Mr. Golding)—hears the applications for substitutional service, just as the Master of the Court hears interlocutory applications in court proceedings. This committee of two makes the necessary orders of substitutional service. By this proposed amendment to the Rules we are regularizing what we have done in the past.

Paragraph 1 of the new Rule 145 will read:

If adultery be proved, the respondent or a co-respondent

We have added the words "or a co-respondent".

may nevertheless be admitted to prove connivance at, or condonation of the adultery, collusion in the proceedings for divorce, or adultery on the part of the petitioner.

The only change there is the addition of the words "or a co-respondent".

The new Rule 146 provides that the co-respondent may be heard before the committee in person or represented by counsel, as the respondent has been in the past.

Hon. Mr. Connolly (Ottawa West): Is that not the case at the present time?

Hon. Mr. Roebuck: There is no rule providing for it. I am sure that if a co-respondent appeared in person or if counsel appeared on his behalf we would never refuse a hearing. Now we are making it clear that the co-respondent has a right to be heard in person or represented by counsel.

Hon. Mr. Reid: What have been the rights of the co-respondent in the courts in this regard?

Hon. Mr. Roebuck: I am sure that a co-respondent would be heard in the courts, and certainly if a co-respondent is named as a co-defendant he may be represented by counsel in the courts.

Hon. Mr. Aseltine: Is that situation not covered by the present Rule 152, which applies to cases not provided for by the Rules?

Hon. Mr. Roebuck: The present Rule 146 provides that the petitioner and respondent may be heard in person or represented by counsel, and there would be no harm in extending this right to the co-respondent. That is the only change proposed in this rule.

The amended Rule 147 adds the co-respondent to those who may be heard under oath. The present Rule provides:

The petitioner and, if the respondent appears, the respondent, and all witnesses produced before the Committee shall be examined upon oath . . .

We recommend it should be changed to read:

The petitioner, the respondent and a co-respondent, appearing before the Committee, and all witnesses produced before the Committee shall be examined upon oath . . .

Hon. Mr. Connolly (Ottawa West): Is that not conferring a right on a person who might not otherwise be a party to the proceedings? I am not quarrelling with it. I think perhaps it is a good thing, but that Rule would give the co-respondent the right to come in and give evidence with reference to the matters in issue.

Hon. Mr. Roebuck: And it makes it perfectly clear. He would be heard in any event, of course, but it is far better to have his right set out.

Hon. Mr. Aseltine: He would never be refused a hearing anyway.

Hon. Mr. Roebuck: Never in the wide world, but still I think we should regularize it.

The proposed new Rule 147(2) will read:

Declarations allowed under or required in proof may be made under the Canada Evidence Act or in a form valid in the jurisdiction in which they are made.

That in no wise changes the present practice, but it does change the existing Rule, which reads:

Declarations allowed or required in proof, may be made under the Canada Evidence Act.

Now, it is perfectly obvious that an affidavit made, say, in Czechoslovakia—and we have had such affidavits—can hardly be made under the Canada Evidence Act. It must be made under the laws of Czechoslovakia. When we are satisfied that an affidavit is properly authenticated, we of course receive it, so the proposed change only confirms and regularizes a practice that we have been following.

Hon. Mr. Farris: Would you have to get proof of the practice in Czechoslovakia?

Hon. Mr. Roebuck: To a considerable extent we do, for applications sent us from abroad are usually, but not always, authenticated by the court. We do that when we send processes abroad. We have the court place its seal on them, and most of the affidavits, like the one I referred to from Czechoslovakia, come with that kind of certification.

The proposed new Rule 148 will read:

Every witness summoned shall, at the time of service of the summons upon him, be tendered a sum of money sufficient to defray his reasonable expenses for travelling to and from Ottawa and his reasonable living expenses while in attendance upon the Committee; and no witness shall be obliged to attend in obedience to a summons unless such a tender has been made to him.

Hon. Mr. Aseltine: Who is going to decide whether the amount is sufficient or not?

Hon. Mr. Roebuck: If the amount is questioned, then it will be up to the Committee.

Hon. Mr. Reid: What is the reason for the Rule?

Hon. Mr. Roebuck: We have had a number of complaints from witnesses who have been subpoenaed to attend before the Committee and who have been given no expense money. They have been placed in a difficult position, wondering what to do. So we have added this clause:

and no witness shall be obliged to attend in obedience to a summons unless such a tender has been made to him.

That should clear up the situation and we should have no more complaints of that kind.

Hon. Mr. Aseltine: In the courts the amount is fixed at so much *per diem* plus return

railway fare. I think the proposed Rule is a little indefinite and may lead to some difficulty.

Hon. Mr. Farris: I was going to mention the same thing. Supposing a witness did not deem the money tendered to him was adequate and refused to appear, then if the Committee held that the amount was adequate what would the Committee do?

Hon. Mr. Roebuck: Rule 148, which has been in existence for a long time now, provides:

The reasonable expenses of making such service and the reasonable expenses of every witness for attending in obedience to such summons shall be taxed by the Chairman of the Committee.

I suppose the Chairman of the Committee can go on taxing the expenses. If it was thought necessary we could adopt the rules of the court in this regard, but we are not changing the situation. The Rule has always required that reasonable expenses be paid to the witnesses, and we are not changing that.

Hon. Mr. Connolly (Ottawa West): Perhaps I should not ask this question, but in the event a witness fails to attend has the Committee power to enforce his attendance, and is there contempt if he does not appear?

Hon. Mr. Roebuck: By way of reply I will read from Rule 148, which says that:

summonses may be served by any literate person, or, if so ordered by the Senate or by the Committee on Divorce, shall be served by the Gentleman Usher of the Black Rod or by anyone authorized by him to make such service.

Rule 149 provides:

In case any witness upon whom such summons has been served refuses to obey the same, such witness may by order of the Senate be taken into custody of the Gentleman Usher of the Black Rod, and shall not be liberated from such custody except by order of the Senate and after payment of the expenses incurred.

I need scarcely say that in my experience so far no witness has been taken into custody by the Gentleman Usher of the Black Rod.

Hon. Mr. Connolly (Ottawa West): I suppose there has been no suggestion as to the place of custody?

Hon. Mr. Roebuck: Probably the Tower.

Hon. Mr. Aseltine: I think an R.C.M.P. constable would be called in for the purpose, would he not?

Hon. Mr. Roebuck: I suppose so. We have had no trouble in this way so far. We just want to make it a little clearer that these legal expenses should be paid before any other obligation is met.

The change in the forms, as I have already mentioned, is a purely mechanical act, and if

honourable senators see fit to pass these amendments to the rules the necessary revisions will be made by the officers of the Senate.

May I conclude by reading an extract from a judgment delivered by the Chief Justice of the High Court division of the Supreme Court of Ontario:

The courts are not to be used in that way. I have suspected at times that there was a great deal of carelessness about these preliminary investigations that must be made before an order goes, and the plaintiff made an affidavit that she made every effort, when she had not been to the obvious source of information.

This has reference to the co-respondent. Let me assure honourable senators that very grave carelessness is frequently to be charged against the solicitors who bring cases before our committee, in the preparation of cases and in the getting of the necessary, requisite and just information. I think the proposed changes in the rules will help the committee, first, to dispense justice, and, secondly, to give service to those who come before it.

Hon. Mr. Farris: May I ask the honourable senator who assisted him in drawing these rules?

Hon. Mr. Roebuck: As I stated in my opening remarks, and also made clear when I laid this report on the Table in the first instance, they were drawn by the Clerk of the Senate, Mr. MacNeill; the Law Clerk, Mr. Hopkins; and the Chief Clerk of Committees, Mr. Armstrong. I wish to make it clear that these amendments were drawn by those gentlemen—I did not draw them.

Hon. Mr. Farris: But they were drafted with your counsel and advice, I feel sure.

Hon. Mr. Roebuck: To some small extent. The work was done in the interim between last year's main session—not the recent special session—and the beginning of this session. Last year we passed a resolution asking these gentlemen to review the Rules and to submit a memorandum with respect to the amendments they proposed. What I laid on the table a week ago was their report embodying the amendments, without change by me or by any other members of the Committee, either by way of elimination or addition.

On motion of Hon. Mr. Aseltine, the debate was adjourned.

The Senate adjourned until Tuesday, January 29, at 8 p.m.

THE SENATE

Tuesday, January 29, 1957

The Senate met at 8 p.m., the Hon. Adrian K. Hugessen, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

JOINT COMMITTEE ON LIBRARY

COMMONS MEMBERS

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

Resolved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Bertrand, Bourque, Brown (Essex West), Castleden, Coldwell, Dechene, Dinsdale, Fairey, Fraser (St. John's East), Fraser (Peterborough), Gingues, Gourd (Chapleau), Habel, Hamilton (York West), Hansell, Hellyer, Henderson, Hosking, Howe (Wellington-Huron), Hunter, Jones, Jutras, Kirk (Shelburne-Yarmouth-Clare), Knight, LaCroix, Leduc (Gatineau), Legare, Lennard, McCulloch (Pictou), McGregor, McWilliam, Philpott, Pickersgill, Ratelle, Reinke, Robinson (Bruce), Shaw, Small, Smith (York North), Smith (Battle River-Camrose), Thibault, Tucker, Weselak and White (Middlesex East), a committee to assist His Honour the Speaker in the direction of the Library of Parliament so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a Joint Committee of both houses on the Library.

JOINT COMMITTEE ON PRINTING

COMMONS MEMBERS

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

Resolved:

That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a Joint Committee of both houses on the subject of the Printing of Parliament, and that the following members, namely: Messrs. Ashbourne, Bertrand, Blair, Boivin, Bonnier, Brown (Brantford), Bryson, Campbell, Cardiff, Charlton, Dechene, Dickey, Fairclough, Mrs., Fairey, Fontaine, Gauthier (Nickel Belt), Gingras, Girard, Gour (Russell), Habel, Hansell, Healy, Hodgson, Houck, Howe (Wellington-Huron), Huffman, James, Johnson (Kindersley), Kickham, Langlois (Berthier-Maskinonge-Delanaudiere), Leduc (Jacques Cartier-Lasalle), Lefrançois, MacEachen, Maltais, Mang, McGregor, McIvor, McWilliam, Patterson, Pommer, Rea, Regier, Robinson (Bruce), Rochefort, Schneider, Simmons, Small, Smith (York North), Stanton, Stick, Thibault, Weaver, Wylie and Zaplitny will act as members on the part of this house on the said Joint Committee on the Printing of Parliament.

JOINT COMMITTEE ON RESTAURANT

COMMONS MEMBERS

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

Resolved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Mr.

Speaker, Miss Aitken, Messrs. Buchanan, Caron, Castleden, Ferguson, Gauthier (Nickel Belt), Gingues, Gour (Russell), Hardie, Harkness, MacNaught, Mang, Masse, McGregor, Michaud, Monette, Pommer, Richard (Ottawa East), Shipley, Mrs., Simmons, Stewart (Winnipeg North), Stick, White (Hastings-Frontenac), Yuill, to assist His Honour the Speaker in the direction of the Restaurant so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a Joint Committee of both houses on the Restaurant.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 69 to 89, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

SENATE STATIONERY

NOTICE OF INQUIRY

Hon. Jean-François Pouliot: Honourable senators, may I ask what is the price for embossing notepaper and envelopes of the Senate, and what would be the price for printing only "The Senate, Ottawa" on each piece of paper and each envelope, instead of having them embossed? I mean, printing them without the die, just printing "The Senate, Ottawa". They could be printed in red.

Besides that, what stock of embossed paper has the Senate in reserve? And when I say paper I mean envelopes as well. I hope that in the near future the Leader of the Government will be in a position to answer these questions.

My idea, to make myself clear, is to economize, to save money, instead of wasting money on embossing. As a matter of fact there are large firms today which no longer use embossed stationery, because they find it a waste of money. Printing our letterheads and envelopes would result in a big economy.

PRIVATE BILL

ALASKA-YUKON PIPELINES LTD.— FIRST READING

Hon. Stanley S. McKeen presented Bill P-1, an Act to incorporate Alaska-Yukon Pipelines Ltd.

The bill was read the first time.

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

Hon. Mr. McKeen: With leave, next sitting.

QUEBEC SAVINGS BANKS BILL

FIRST READING

Hon. W. Ross Macdonald presented Bill Q-1, an Act to amend the Quebec Savings Banks Act.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

WINDSOR HARBOUR COMMISSIONERS BILL

FIRST READING

Hon. W. Ross Macdonald presented Bill R-1, an Act to incorporate the Windsor Harbour Commissioners.

The bill was read the first time.

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

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

LAND USE

NOTICE OF MOTION TO APPOINT SPECIAL COMMITTEE

Hon. Mr. Macdonald: Honourable senators will recall that the subject of land use in Canada is referred to in the Speech from the Throne, and with their consent I would suggest consideration of this question should be the first order of business for tomorrow. I make this proposal subject, however, to the possibility that the financial bill to cover the supplementary estimates will be received by us tomorrow, and in that event, that the house would wish to consider it at once. Could we agree that if that bill should come from the other house the Senate should take it into consideration as the first order of business and, having disposed of it, consider the motion with respect to the use of land in Canada? If the supply bill has not been received when we meet tomorrow, the motion I refer to could receive first consideration.

Hon. Mr. Haig: As far as I personally am concerned and, I believe, as far as our group is concerned, we would prefer, if it be possible, to consider the financial bill first.

Hon. Mr. Macdonald: I am in agreement with that.

Hon. Mr. Crerar: Will the motion to set up a committee specify the subject-matter into which the committee is expected to inquire?

Hon. Mr. Macdonald: I will read the motion. It is as follows:

1. That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people, and, in particular, to increase both agricultural production and the incomes of those engaged in it;

2. That the said committee be composed of the Honourable Senators Baird, Barbour, Boucher, Bois, Bradette, Cameron, Crerar, Golding, Hawkins, Horner, Inman, Leonard, MacDonald, McGrand, Molson, Petten, Power, Smith (Kamloops), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Tremblay, Turgeon, Vaillancourt and Wall.

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

4. That the committee have power to send for persons, papers and records; to sit during sittings and adjournments of the Senate, and to report from time to time.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Roebuck moved the third reading of the following bills:

Bill K, an Act for the relief of Dorothy Amelia Ashmore MacDonald.

Bill L, an Act for the relief of Dorothy Frances Auger DeJacobis.

Bill M, an Act for the relief of Patricia Jean Jones Robinson.

Bill N, an Act for the relief of Gwendoline Stedman Adrain.

Bill O, an Act for the relief of Joyce Bernice Good Taylor.

Bill P, an Act for the relief of Jessie Pearce Meti.

Bill Q, an Act for the relief of Maud Lenore Wheeler Lanctot.

Bill R, an Act for the relief of Patricia Anne Wylie Houstoun Patience.

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

SPEECH FROM THE THRONE

**MOTION FOR ADDRESS IN REPLY—
DEBATE CONTINUED**

The Senate resumed from Thursday, January 24, consideration of His Excellency the Governor General's Speech at the opening of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. Donald Cameron: Honourable senators,—

Hon. Senators: Hear, hear.

Hon. Mr. Cameron:—in beginning the remarks I wish to make this evening I should like to add my compliments to those which

have gone before to the mover (Hon. Mr. Bois) and the seconder (Hon. Mr. Smith) of the Address, and to express the hope that the new members who came to the Senate this session have found the same warm welcome that will always be such a pleasant memory to those of us who were appointed last year.

I should like, too, in the beginning, to compliment the Prime Minister and the Government on a number of matters which were dealt with in the Speech from the Throne.

As an educator, the first of these which I was deeply gratified to hear about when I was in India was the establishment of the Canada Council, with a trust fund of \$50 million. This is a gracious and imaginative development and will have far-reaching effects on the cultural growth and development of Canada. There is one word I might have the temerity to say in connection with the appointment of the Council, and I say it as a man who has worked with artists for the last twenty-five years: while I am sure it is desirable that there be a good representation from the arts on the Council, I hope that there will be also a good representation from the business world, for I can think of no more fruitful partnership than that of business and the arts. Too often, acting alone in these matters, neither does as well as do the two working together.

Also, as an educator, I should like to express appreciation of the Government's action or proposals to double the present *per capita* grants to the universities. I can assure you that this will be deeply appreciated. I would also compliment the Government on the establishment of the \$50 million building fund to assist capital developments of universities. It is particularly gratifying to know that this money is earmarked for a program in the humanities. Of course, \$50 million is not sufficient, but it is a good beginning, and if the provinces do equally well a very fine start will be made.

The promise of increased aid for technical education is also a move which can have far-reaching effects in Canada. One of the great gaps in our educational program today is the lack of provision for adequate facilities in the technical education field. If more provision is made for technical education it will relieve to some extent the pressure on the universities.

Honourable senators, at this time I wish to compliment the honourable senator from Kingston (Hon. Mr. Davies) on the plea that he made for more, smaller universities in the course of his address the other day. I predict that within the next ten or fifteen years we shall see quite a development of

the village colleges and junior colleges. These will go a long way in relieving the pressures which are building up on the older and major Canadian universities.

Since I am in a complimentary frame of mind this evening, I also wish to compliment the Government on the proposed establishment of a Senate committee on land use. Perhaps I should say that my speech was prepared before I knew who would be nominated as members of the committee. The formation of that committee is one of those important and fruitful starting points, or growing points, which can have far-reaching effects in the development of this country. I say that as one who served as a member of the Provincial Committee on the Rehabilitation of the Dry Areas and Crop Insurance in Alberta. I might add that I wrote the report of that committee with regard to the dry areas of southern Alberta. That, again, is a subject having far-reaching implications, because the battle for water and for soil conservation is going to be one of the great battles of all time between man and nature.

I also wish to express my compliments to the Minister of Citizenship and Immigration, the Honourable Mr. Pickersgill, upon the promptitude with which he acted in meeting the emergency situation created by the flight of refugees from Hungary. I think every Canadian has cause for gratification in the Government's very humane action. However, I would go one step further and say first, that I hope our immigration program will be extended, and, secondly, that a special effort will be made to bring more people from Great Britain, the Scandinavian countries and the Netherlands.

Honourable senators, I have read and heard at various times that people have said the Speech from the Throne at the opening of this session did not have much in it. Being a non-political member of Parliament, I do not know what the politician's reaction would be, but the reaction of an educator is that in so far as education in Canada is concerned, the Speech from the Throne was one of the most productive and fruitful ever delivered since Confederation.

The main purpose of my speaking tonight is to present a report to the Senate on the Ninth General Conference of UNESCO, held in New Delhi from November 5 to December 5, 1956.

First, I would like to thank the Prime Minister, the Right Honourable Mr. St. Laurent, and the Secretary of State for External Affairs, the Honourable Mr. Pearson, for the honour they did me in asking me to be a member of Canada's delegation, and for

the very great opportunity they provided me to continue my education in international affairs.

Canada's delegation to the Conference was the largest ever sent to UNESCO, and I think the reason for that was the particularly grave situation existing in Asia today. Many nations are not committed, or at least not committed as much as we would like them to be, toward the democratic world. The leader of the Canadian delegation was that distinguished gentleman Leonard Brockington, Q.C., and H. E. Morley Scott, High Commissioner to Pakistan, was Deputy Leader. The other members of the delegation were Col. F. T. Fairey, M.P. for Victoria; Lionel Bertrand, M.P. for Terrebonne; Freeman Stewart, Secretary, Canadian Teachers' Federation; Dr. Leon Lortie, Professor of Chemistry, University of Montreal; Dr. Jean C. Falardeau, Department of Sociology, Laval University; John Parkin, President, Canadian Arts Council; Mrs. Florence Bird, of Ottawa—probably better known as Ann Francis; Melvin Clark, of Geneva; H. E. Escott Reid, High Commissioner to India; Miss Mary Dench, Information Office, Department of External Affairs, and myself.

I wish to go out of my way to pay a compliment to Mr. and Mrs. Reid for the magnificent job they are doing for Canada in a very heavy and difficult post. I have been told by Indian publicists, educators, and politicians, that in India Mr. Reid's advice is sought after and listened to more than that of any other representative of a foreign nation. I can assure honourable senators that the advice is given with typical Canadian forthrightness, but his sincerity and his dedication to his job are greatly appreciated by those with whom he is working.

The Canadian delegation was very representative, and I think it gave a fairly good account of itself during the five weeks of the conference. It is certainly true that, out of the hundreds of addresses that were delivered, the two which captured the imagination of the conference to a greater extent than any others did were those of the leader of our delegation, Mr. Brockington, at the opening and closing sessions.

Perhaps I should take a moment or two to describe the setting of the conference, and the political climate of the first week or ten days. Before doing so, however, I wish to pay tribute to India, to her leaders and people. No delegate to the conference could help but be impressed by the magnificence of the arrangements made for the comfort and convenience of the delegates, and by the imaginative plans which were made for the delegates to meet the leaders of Indian thought in every

walk of life—political leaders, educators, members of the judiciary, journalists, artists, businessmen and working people from every walk of life; and, what was equally important to us, for opportunities to get to know members of other delegations. Literally dozens of cultural programs of a national and international character were arranged to coincide with the conference, and this in itself made the visit to New Delhi a stimulating and rich educational experience.

The physical arrangements for the conference were on a splendid scale. The Indian Government had not only built, in readiness for the conference, the finest conference hall I have ever been in, but they built two hotels, the Janpath—a modest but comfortable hotel—and the still incompleting Ashoka, which when finished will be one of the finest hotels in the world. Their organization of transportation, in a city of great distances, left little to be desired. And to the fine physical arrangements there were added the graciousness and courtesy of a great people, who are, fortunately for us, in the vanguard of a significant democratic experiment in Asia.

Since my return from Asia I have been somewhat concerned at the tendency to be critical of India and of her leader, Mr. Nehru, a tendency which I have found to be prevalent among some individuals and in certain sections of the press. At the risk of wearying you I think I must take a few moments to give my assessment of India's role in the world today as I see it and feel it, after a careful and considered attempt to assess the situation. However, I ask honourable members to bear in mind that I had only six weeks of first-hand study.

To begin with, India is a big country whose distances are in many instances comparable to those we are familiar with in Canada. For example, it is 1,000 miles from Calcutta, in the south eastern Bay of Bengal, to Delhi. It is 800 miles from Delhi to the southwestern port of Bombay. It is 900 miles northward across the Delhi plain and desert to Karachi, just across the border in Pakistan. It is 700 miles north of Delhi to Simla and Darjeeling in Kashmir, and the same distance eastward to Benares. It is 1,800 miles south from Delhi to Colombo in Ceylon. These instances will give you some idea of the physical distances.

In this great subcontinent there are 376 million people, speaking 35 languages. In the Indian Parliament there are 645 members, of whom only 35 are communists, and I am told the expectation is that after the new elections in March the number of communists will be substantially reduced. It is interesting to a Canadian to learn that English is the main language of the Indian Parliament.

Everything in India is laid out on a scale of unequalled splendor and grandeur, from the thousands of mosques and tombs built by the Mogul emperors to the magnificent Parliament Buildings and fine universities of modern India. Wherever you go in India today there is construction—of roads, bridges, irrigation, power works, schools, universities and fine public buildings. And a tremendous amount of the work is being done literally with naked hands. The almost complete lack of modern equipment is amazing. When one asks Indians why they do not use more mechanical equipment, they give two reasons: First, we cannot afford it; and secondly, if we could afford it, what would we do with our people? In India even poverty is on a magnificent scale. But everywhere there is enthusiasm, creativeness and a great sense of nation-building, leading to a new feeling of national pride and achievement and a growing belief in the dignity of labour.

If I may digress for a moment, I should like to remind honourable senators of what happened in Denmark in the 1860's. After Denmark's disastrous defeat at the hands of the Germans in 1864, its people were in the depths of despair and depression. But into their lives came the philosophy of the great historian, preacher, reformer and poet, Nikolai Frederik Severin Grundtvig. He preached a national awakening, the dignity of labour and the importance of doing things with the hands, and in this way he brought about a complete regeneration of life in that country. As I listened to some of the songs of the students at the universities in India and saw documentary films being made—some of the finest I have ever seen—I felt that if the Indians could be inspired as the Danes were to develop their own standards of citizenship, dignity and respect for labour, it would be one of the great constructive happenings of our present generation.

Much of the spirit of the new India is attributable to a man who is looked upon as a saint today, Mahatma Gandhi. Gandhi's work is being ably carried on by his disciple, pupil and collaborator, Jawaharlal Nehru. My opinion, for what it is worth, is that Nehru is one of the great men of our time, and that without question he is the leading figure in Asia today. In my view, it is fortunate for us that this leader of a great civilization and people is a man whose mother tongue is English, whose whole education was in the schools of the British tradition; and a man who is thoroughly conversant with and has a deep respect for our traditions of liberty and of law. He even has an unusual

and first-hand knowledge of our penal institutions, in which he laboured for fourteen years.

Associated with Nehru are many others, parliamentarians, members of the judiciary, the civil service, and the army, all trained in the British democratic tradition. I say it is fortunate for us that this is so, because with the rapid growth of nationalism throughout the Asian world and the present revolt against so-called colonialism it could be disastrous for us if such a potentially great power was under the leadership of a lesser man and with associates who knew not our way of life. My view is that Mr. Nehru and the Indian people are on the side of democracy, and if they should ever leave that side the fault would be ours as much as theirs because we had not tried hard enough to understand their background, their psychology or their problems. To say that Mr. Nehru is on our side does not mean to say that he will always do what we want him to do, or that he will always do the things we would like in the way and at the time we may like them done. But in spite of this I feel he represents a great constructive force in the new world which is abuilding in South Asia. One more thing: Mr. Nehru and the Indian people will not be intimidated from doing what they consider right by name-calling or innuendo by certain elements on the North American continent.

So much for the Indian background of the conference.

Now may I say something about the conference and the Suez crisis? The conference opened on Monday, November 5, which it will be recalled was the first Monday after the outbreak of hostilities in Suez. Picture in your mind a great conference hall packed with 700 delegates and advisers and many more hundreds of visitors. The delegates represented 79 nations, each of which had one vote. The vote of tiny Monaco could cancel out that of Great Britain or the United States or the U.S.S.R. While we are dedicated to the democratic principle, one man one vote, that use of it does seem to stretch the principle a bit far.

The chairman elected by the conference was Dr. Malauna Azad, Minister of Education for India, who always spoke in Urdu. The introductory speeches of welcome by both Dr. Azad, and Dr. Rada Krishnan, the Vice-President of India, were gracious in their welcome to the delegates, but extremely critical of the "intervention" in Suez. They were particularly critical of the British; the attitude was something like that which members of a family might adopt if an old and respected uncle who had always done the

right thing had suddenly gone berserk and been guilty of armed robbery, with assault and battery thrown in. They could not understand it. They said: Here is a nation to which we have always looked, the Mother of Parliaments, which in world affairs has always been on the side of the down-trodden. The British delegates took a terrific bombardment during the first few days of the conference, but they did not say very much. Strangely enough, there was little mention of the co-partners in crime, the French or the Israelis. Even Mr. Nehru, though he spoke in much more diplomatic language, was extremely critical. These addresses set the pattern of discussion in the opening ten days of a highly charged political atmosphere.

Fuel was added to the emotional fire by an impassioned speech by the delegate from Egypt, who said, "I am the only delegate from my country because the others were prevented from getting here as a result of the British bombing of Cairo." He went on to say, "As I stand in this conference hall addressing this assembly I cannot help but wonder what is happening to my wife and my eleven-year-old child under the rain of British bombs in Cairo." Well, he went on in that vein. We got to know him later on; he appeared a very decent chap and you could make some allowances for the emotional situation in which he found himself. There was not the same excuse for the Syrian delegate who followed him, however. He was completely unrestrained in his condemnation of the aggression and according to him the traitorous action of the British, French and Israelis. Added to that was the fact that scattered through the corridors was the odd radio receiving set, over which Radio Cairo could be heard blaring away with the most fantastic tales of British bombings and atrocities against defenceless women and children. It is true that the B.B.C. was coming in equally well, but the quiet well-modulated voice of the B.B.C. announcer by its very restraint seemed to fail in an adequate rebuttal.

Now, added to this situation was another calculated to keep the political atmosphere sizzling. This was a motion interjected by the U.S.S.R. to prevent the seating of the Formosa Chinese delegation, and the reasons put forward for not seating the delegation were two:

I. That the Government which sponsored this delegation did not represent the people of China because another government did.

II. That technically they were not entitled to be seated because they had not paid their membership dues for the last five years and were \$500,000 in arrears.

The Formosa Chinese delegation was ultimately seated but many delegates felt the whole wrangle did not reflect the conference in a very favourable light.

It was in this tense and politically super-charged atmosphere, and after 57 delegations had spoken, that Mr. Brockington, the leader of the Canadian delegation took the rostrum. The papers referred to him as "the aged and eloquent leader". This reference to Mr. Brockington as aged greatly amused the other members of the Canadian delegation, for he is only 69. While I cannot take the time to quote in detail what he said, he caught the ear of the conference at once and he was responsible, I think, more than any other person for breaking the tense political atmosphere of the conference as it existed at that time, and getting the conference back to the discussion of subject-matters for which it was called, namely, the educational, scientific and cultural development of the world.

Mr. Brockington made two statements which I shall emphasize. First, he stressed the role of freedom and free discussion in a democratic world; and secondly, Canada's role as a composite of many races dedicated to the free development of the human race.

In connection with the first point he said:

Perhaps we can all take some comfort from the knowledge that even today no stronger criticism of the disputed policy of the British Government, no freer or more vigorous denunciation of its dangers has anywhere been spoken or written than in famous British newspapers freely published in Britain itself, in public meetings freely assembled, in earnest debates freely held in a free British Parliament and wherever men gather in Britain to hammer out the truth on the anvil of free discussion.

Every time he used the word "free" he emphasized it with all his might and the point was not lost among the delegates.

His second point emphasized Canada's peculiar appeal to peoples from other lands and at the same time stressed the *raison d'être* for the conference being held at all. He said:

We in Canada who are the beneficiaries of the gifts of so many other people believe that there is only one race in the world which is really important and that is the human race. We are determined to pay with reverence our debt to humanity.

These were the two key paragraphs in Mr. Brockington's opening address which, mind you, was the 57th address in that conference. He stressed the humanitarian note, he reminded one and all that we were there not for a political discussion, but to discuss something much more important—the educational, cultural and scientific development of mankind.

I think most of the delegates would agree with me that from this point on the political atmosphere of the conference was reduced

to a minor key and the delegates approached their tasks in a more constructive frame of mind. That is not to suggest that political considerations did not obtrude themselves on other occasions when we were dealing with education, cultural activities, mass communications, and peaceful uses of atomic energy—to mention a few of the subjects. It would be rather naive to think that political considerations would not play a part. But by and large many people, men and women from 79 countries, made a constructive contribution to the thinking on problems as wide as humanity, and in effect the UNESCO conference became a great parliament of mankind dedicated to advance on the social and humanitarian frontiers of the world.

So much for the general atmosphere. I need not tell a meeting of this kind what UNESCO stands for, although it is amazing to find out how little conception many people throughout the country have of its function and purpose.

For the purpose of convenience the UNESCO program is divided into eight subject areas, to each of which is allocated a share of the total budget amounting annually to between \$11 million and \$11.5 million, or something under \$23 million for the two-year period.

The subject areas, with their share of the budget, are:

	Share of budget
Education	20 per cent
Major Projects	5 “ “
Natural Sciences	11 “ “
Social Sciences	9 “ “
Cultural Activities	15 “ “
Mass Communications	15 “ “
Exchange of Persons	8 “ “
Documents and Publications ..	15 “ “

The major projects include, first, a project to extend primary education in Latin America; and secondly, research on the arid zones of the world. A third major project, and one which can have far-reaching effects in terms of years, is mutual appreciation of eastern and western cultural values.

The primary education project seems to be starting at a very low level, and it is, but I think we are all convinced today that no nation can advance independently of its neighbours, and the situation in Latin America is that even among the most advanced nations only 70 per cent of the children of school age have the opportunity of going to school. In many of the other nations only some 40 per cent to 50 per cent of the children of school age have the opportunity of going to school. One of the reasons is that they have no teachers and no schools, nor the money to finance them. This project of extending primary education in Latin America concerns itself with a

special effort to train teachers and to provide the facilities for them to get at least an elementary education.

The second major project—the arid zone project, as it is called—is also vitally important in the kind of world in which we are living, particularly when we remember that 25 per cent of this globe is desert. One of the particularly interesting discussions that took place there, under the leadership of Sir Charles Darwin, a scientist and member of the British delegation, and, of course, a descendant of the famous Charles Darwin, concerned itself with the project to convert salt water into fresh water so that it could be used for irrigation purposes. This gives some insight into one of the projects which UNESCO is studying.

Associated with this arid zone project is the question of how to adapt a way of life to the arid zones and how to deal effectively with the nomadic people who live in those zones.

The next areas of interest are the natural sciences, the social sciences, cultural activities, mass communications, exchange of persons, documents and publications.

A study of these subject areas will indicate that the dividing line between each of them is sometimes rather hard to define. I think one of the reasons why there is so much confusion and misunderstanding, and so much repetition in discussions in UNESCO, is that insufficient time has been spent in trying to establish definite demarcation lines, if it can be done at all. For this reason some of the sessions of the UNESCO conference are somewhat confusing and repetitious, because the same kind of topic may well be discussed under the heading of education, social sciences, and under cultural activities; and when one remembers that all proceedings are translated simultaneously into four official languages it can be understood how confusion and misunderstanding may grow apace. At this point I must pay a tribute to the translators; and those of you who have daughters ambitious to travel could do worse than explore the possibility of the profession of translator. Most of the proceedings of the sessions are translated by girls, and in the main they do a very fine job.

At each general conference of UNESCO a budget for the next fiscal period of two years is prepared and voted upon. As a rule the Director General of UNESCO and his staff have spent months in preparing this budget, laying it out in detail; they then submit it for discussion. This year they followed the usual procedure and submitted a budget for \$21,600,000: then, without warning or any discussion with the Director General or his

staff, a resolution, sponsored by Brazil, France, India and one other country whose name I have forgotten at the moment, was introduced to increase the budget ceiling by one million dollars. No one votes against Santa Claus. A UNESCO conference is no different from others in that respect. The resolution was carried by a vote of 27 for, 19 against, with 20 abstentions,—a most unsatisfactory way of arriving at a decision. Honourable senators can imagine the effect on the conference of suddenly having a million dollars more than it had planned to spend. All the "have-not" nations of Latin America and South-East Asia put forward their own pet projects and asked that the money be spent on this, that, and the other, while those with projects in being demanded that their grants be increased. The result was great confusion in the conference, and a veritable blitzkrieg of proposals to spend money. Never in my experience have I been subject to such a variety of resolutions, draft resolutions and the like. The pile of documents that I have before me represents only one-half of the mass of material of this kind to which we were exposed. Anybody who has had experience of a political or other convention knows that, when a lot of resolutions are submitted from the floor many of them are repetitive, or overlap and a screening process is very necessary. As the one whose misfortune it was to be elected rapporteur of the conference, I was in a position to appreciate the disadvantages of a non-screening procedure.

Under these circumstances the Canadians, I believe, played an effective role. Some of the delegates were rather critical of our people because, they said, Canadians always look at the dollar; but that attitude, I suggest, is sometimes very useful.

Two suggestions made by Canadians were accepted by the conference. One was, that there should be a general overhaul of the conference procedures so that succeeding conferences should not be exposed to a blitz of paper. The second suggestion was more difficult to get approved, and great credit is due to Frank Fairey, M.P., of Victoria, and to Mel. Clark, of the Finance Department, at Geneva. They pointed out that UNESCO had been in existence for ten years and had a spending budget in excess of \$21 million, so it would be a good idea to engage an outside firm of consultants to examine the organization's administrative procedures. That idea, as I have said, took a lot of selling, and the original resolution was substantially watered down, but finally a motion to that general effect was accepted. It will, I believe, have good results. Another point which should be kept in mind in connection with the vote to

increase the budget is that the nations whose representatives voted for the increase are responsible for providing only 15 per cent of the funds, while the nations whose representatives were opposed to it contribute 85 per cent. Another point with which Western democracies must be concerned is that since last summer 16 more nations have been admitted to membership in the United Nations. While this, I agree, is a good thing, from now on the so-called Western democracies can be outvoted on any issue when the Latin American countries decide to vote as a bloc with either the Soviet or the Afro-Asian bloc. This may lead to complications in the days to come.

I will take no more than a short time to allude to some of the details of the program. I wonder whether it would be possible, without reading detailed figures, to put a statement into the record.

Hon. Senators: Agreed.

Hon. Mr. Cameron: First, education. Under this heading is included a variety of programs, of which some are carried out by UNESCO itself, but more are carried out in co-operation with agencies within the member states. Here are some examples:

I) Sponsoring an international conference on public education	\$ 38,000
II) Improvement of school curriculum ..	18,500
III) Assistance to educational reform	32,100
IV) Technical and vocational education ..	15,000
V) Associated school projects in education for international understanding	19,000
VI) Education for women and girls	10,000
VII) Participation in member states' activities in school education	220,000

Fundamental Education

I) Teaching, reading and writing	\$ 6,000
II) Producing reading materials for new literates	41,000
III) Fundamental education centre for Latin America (Patscua, Mexico) (CREFAL)	295,000
IV) Fundamental education centre for Arab states (ASFEC)	338,800
V) Participation in member states, activities	88,000

Adult Education

I) Assistance to adult education projects	\$ 34,000
II) Participation in member states, activities	26,000

Work With Youth

Emergency Educational Assistance

I) Educational assistance to Palestine Arab refugees	\$ 13,000
II) Educational assistance to Egypt	} 200,000
III) Educational assistance to Hungary	

Major Project Extension of Primary Education in Latin America

I) Training of primary school teachers in L.A.	\$186,000
II) Assistance in educational research and training of educational specialists in L.A.	109,000
III) Fellowships for extension of primary education	100,000

Natural Science

I) Peaceful uses of atomic energy	\$ 78,000
II) Co-operation with international scientific organizations	536,000
III) Cell biology research	38,000
IV) Humid tropical zone research	24,000
V) Marine science research	57,000
VI) Promotion of science	60,750
VII) Participation in member states, activities	60,000

Major Project on Scientific Research in Arid Lands

I) Collection and dissemination of information on research	\$ 43,280
II) Symposia on arid land research	16,720
III) Formation of local and national co-operating committee	23,650
IV) Assistance in regional and national research programmes	191,000
V) Advisory committee on arid zone research	19,696
VI) Fellowships in arid lands research ..	60,000
VII) Pilot project on social adjustment of nomadic groups	15,000
VIII) Public information activities for arid lands projects	53,800

Social Sciences

I) Cooperation with international social science organization	\$236,500
II) International social science bulletin and other publications	29,800
III) International social science bibliographies	59,925
IV) Improvement of social science documentation and terminology	12,500

Development of the Teaching of Social Sciences

I) Participation in member states, activities	\$157,600
II) Social sciences and problems of international understanding and peaceful cooperation; problems of human rights and minorities	61,190

Social Sciences and Problems of Social Development

I) Social sciences and technological changes and industrialization	\$ 43,880
II) Social sciences technological change—research centre—Brazil	60,000
III) Research centre on social implications of technological change—South Asia	180,500

Cultural Activities

I) Co-operation with international cultural organizations	\$425,220
II) International exchange of information on—	
a) Exchange of publications	33,240
b) Bibliography and documentation ..	15,860
c) Museum and other publications ..	29,500
d) Index translationum	20,000
III) International agreements on—	
a) Implementation of copyright convention	20,550
b) Unesco library and reference services	32,000

Special Activities

Preservation of the Cultural History of Mankind	
a) International centre for preservation and restoration of cultural property	\$ 24,800
b) International Committee on Monuments	8,880
c) Participation in member states activities for preservation and restoration of cultural property ..	92,000

Culture and Community Development

I) Maintenance and adaption of traditional cultures	\$ 14,500
II) Education through arts and crafts..	20,000
III) Participation member states activities—teaching arts and crafts	80,000
IV) Reading materials for new literates ..	110,630
V) Development of libraries, museums, etc.	262,000

Culture and International Understanding

I) International discussions	\$ 35,050
II) History of the scientific and cultural development of mankind	144,600
III) Translation of representative works .	21,000
Major project on mutual appreciation of Eastern and Western cultural values	\$600,000

Mass Communications

1) <i>Free Flow of Information:</i>	
I) International instruments on free flow of information	\$ 11,487
II) Co-operation with U.N. and other organizations	19,410
III) Studies on free flow of information ..	19,100
2) <i>Mass Communication Clearing House Services</i>	\$ 57,050
3) <i>Public Information and Promotion of International Understanding</i>	
I) Co-operation with the press	\$ 17,500
II) Unesco Courier	157,600
III) Films and film strips	31,000
IV) Photographs and exhibitions	53,240
V) Production of radio material	52,300
VI) Public liaison	45,200
4) <i>Encouragement of the Production of Mass Media Programme</i>	
I) Co-operation with producers	\$ 19,700
II) International centre of film for children	10,000
III) Film centre for television	30,000
IV) Co-operation with international mass communication bodies	16,500
5) <i>Improvement of Means and Techniques of Communication</i>	
I) Pilot projects and seminars for improvement of mass communication techniques	\$ 87,384
II) Improvement of facilities for education in journalism	16,100
III) Participation in member states' activities in development of communications services	225,000

Exchange of Persons

I) Clearing house services	\$ 39,000
II) Fellowships in the field of planned activities	215,000
III) Participation program fellowships in field of peaceful uses of atomic energy	364,000
IV) Exchange of workers	191,000
V) Exchange of young people	60,000

May I comment on some of the projects outlined in the material placed on the record? One example is the "sponsoring of an international conference on public education". It may be said, "What has that to do with us?" Not a great deal, but it is vitally important to people in underdeveloped areas that they may benefit by our experience and adopt some of the methods and techniques which have proved successful.

Another item relates to projects "in education for international understanding". If we are to change the climate of the world in which we live, more attention must be paid to creating a better understanding among the peoples of the world; and there is no better place to start than in the schools.

Yet another item is, "education for women and girls". In many countries, notably the state whose representative is being entertained officially today in Washington, there is no belief in education for women, and it is almost heresy to suggest that anything be done to raise their status.

A project of tremendous scope is that embraced under "fundamental education", teaching simple reading and writing, health, agriculture, arts and crafts and other associated activities. There is no use in teaching people to read and write unless something is provided for them to read. So one of the most challenging projects under the UNESCO program is the production of literature for new literates. It is a very difficult thing to do, because if the wrong people are engaged, and the work is carried on at too high a level, the result is much waste of time and effort.

There are two centres for the training of people in fundamental education. One was set up in Mexico some years ago and the other in Egypt. Students from Latin America, for example, are gathered together at this school at Patscaro, Mexico, where they are taught how to teach. They are given a briefing in the kind of education that is called fundamental education, the very basic education in health, simple literacy, agriculture, crafts, and things of that kind. These projects take a substantial amount of the funds.

Under emergency educational assistance, there has been an emergency educational assistance program in Egypt for the last number of years for Palestine Arab refugees, but the conference voted \$200,000 for emergency educational assistance for children in Hungary and in Egypt. That is not very much, but it is at least a start.

Coming to the natural sciences, specific amounts have been voted for studies on the peaceful uses of atomic energy, co-operation with international scientific organizations, cell biology research, humid tropical zone research, marine science research, promotion of science, and participation in member states activities.

In the social sciences, I will mention just a few programs: co-operation with the International Social Science Organizations, the International Social Science Bulletin and

other publications, the development of libraries, the development of a common bibliography, and the development of the teaching of social sciences.

Under cultural activities and mass communication there are projects on the international exchange of information, on exchange of publications, on bibliography and documentation, on museums and other publications and an index *translationum*.

In the field of mass communication, one of the matters which caused a good deal of debate was the question of how to prevent interference with the free flow of information between countries. For instance, how do you stop radio jamming, which is a prevalent device today? How do you eliminate radio and press censorship, which prevents information from getting into countries where all information is officially controlled?

Under the heading of "special activities" there is an item for the preservation of the cultural history of mankind. That was a touchy and timely subject, for the Egyptians raised the question that some of their great cultural treasures, probably the pyramids, were to be blown to smithereens by British bombs.

These are just some of the UNESCO program activities that I have put on the record in more detail.

One important fact is the substantial amount of money earmarked for the exchange of scholarships and fellowships in all fields. For instance, in the field of peaceful uses of atomic energy the sum of \$364,000 has been voted. This gives an idea of how important the member states consider that field to be.

I have listed some of the main projects and programs, but by no means all, which will be carried out under UNESCO in the years 1957 and 1958. The programs and projects are widely diversified and are all designed to assist in, first, raising the level of education, particularly in underdeveloped countries; second, bringing about greater international understanding; third, helping people to help themselves; fourth, sharing technical and scientific knowledge and skills with a view to speeding technological advances; and fifth, removing international tensions through dissemination of broader and more accurate knowledge of each other among peoples of the world.

I should like to spend the last few minutes of my remarks on Canada's role in the international scene. As a Canadian one could not help feeling proud of the warm welcome that was out for Canadians everywhere in South Asia. This was started or at least greatly enhanced by the visit to that part of the world some years ago by our Prime Minister.

Some Hon. Senators: Hear, hear.

Hon. Mr. Cameron: He made a tremendous impression on the Indian people, and that impression was further strengthened by the more recent visit of our Secretary of State for External Affairs, the Honourable Mr. Pearson; and I have no doubt this impression was again enhanced by the still more recent visit by our Minister of National Health and Welfare, the Honourable Paul Martin.

The welcome mat was out for Canadians wherever we went, and I think one of the reasons for this is that the Indian people—and indeed most peoples of the world—have the feeling that Canada is in a peculiarly fortunate position in that she is a composite of many nations, and has welcomed people from all countries to help build her as a nation. This is an important element in engendering the friendly feeling towards Canada and Canadians.

Another point is that these people feel Canada does not want anything from anybody, that Canada will bring to her councils in the international field a completely objective and honest consideration. That means a lot.

I want to emphasize the great job that our diplomatic service is doing, and I would pay tribute to the work done by Mr. Escott Reid and his staff in New Delhi, and to Mr. Morley Scott and his staff in Pakistan. Our diplomatic service throughout the world is looked upon as first-class, and we have reason to be proud of the job that has been done. We have responsibilities to see that these people receive our backing and encouragement at all times.

The third reason for Canada's role at the present time being particularly helpful is what this country is doing under the Colombo Plan. The \$34 million a year we are spending under that plan is bringing tremendous dividends in terms of good will and understanding. The Canada Dam out from Bombay, the Warsak Project in Pakistan, and our atomic reactor at Bombay are giving a new appreciation of Canada's unselfish willingness to help these nations by bringing our technological personnel into close association with theirs.

The fourth factor is Canada's role in the recent Suez crisis. As I indicated in the beginning, the tension in the first week or ten days of the conference was extremely high. Mr. Brockington's address to the conference made a great contribution toward easing of that tension, but the thing that finally broke the tension entirely was Mr. Pearson's speech at the United Nations in New York when he brought forth the idea of an international police force supplanting the

armed intervention. You could almost feel the release of tension, because in those first few days in that part of the world many of us wondered whether we were well on the way to World War III. It was a very unhappy situation, but from then on, thanks to the imaginative and daring scheme promoted by Mr. Pearson, there was a great sense of relief through the whole conference.

In conclusion I would emphasize that I have dealt with the program of UNESCO at some length because I believe it is important for people everywhere to know what it means, what it stands for, and what is trying to do. I think we must come to look upon UNESCO as a symbol of man's aspirations. It is idealistic and it attracts people who may be more idealistic than practical, but with all its weaknesses in administration and its diffusiveness and its sometimes ineffectiveness, it does represent one of the great hopes of mankind. As Mr. Nehru put it in his opening remarks, it is the "conscience of the world".

One final thing: in coming back through London I spent some time with the British Council, and they were rather proud of the fact that they were helping to establish a Chair of Commonwealth Relations at the University of Aliwar in India. That is not a very large university, but I think the idea of establishing a Chair of Commonwealth Relations is excellent. I would go further and say it is just as important to have a Chair of Commonwealth Relations centred in universities in Canada, Australia, New Zealand and other parts of the Commonwealth as it is to have one in India, because the day has come when we can no longer take the Commonwealth for granted. It can be stronger than ever if we are willing to work at it. The Chairs of Commonwealth Relations can be one of the means of strengthening it. Another means is by increasing the number of scholars that are being sent to study in other parts of the world, as well as by bringing more scholars from other parts of the world to our country. In this way we shall be playing a great role, not only in developing a new appreciation of one country for another, but in making of this British Commonwealth of Nations one of the greatest factors for constructive good in the whole world. Honourable senators, we hear people talking about the "decline" of the British Empire; some say it with a malicious twist. My view is that if we work at the job of creating harmony and understanding among the nations of the Commonwealth, we shall succeed in translating the great British Empire of yesterday into the united Commonwealth of free nations of tomorrow, and that will be

the greatest miracle and the crowning triumph of British parliamentary institutions.

Hon. Senators: Hear, hear.

Hon. Mr. Pouliot: In his very interesting and good speech the honourable gentleman mentioned four languages that were used at the conference, and I would like to know what they were.

Hon. Mr. Cameron: English, French, Spanish and Russian.

Hon. Mr. Pouliot: Thank you.

On motion of Hon. Mr. Beaubien, the debate was adjourned.

PRIVATE BILL

**OBLATE FATHERS OF ASSUMPTION
PROVINCE—SECOND READING**

Hon. John J. Connolly moved the second reading of Bill T, an Act to incorporate Oblate Fathers of Assumption Province.

He said: Honourable senators, I need not detain you for more than a few moments in connection with this bill. As its title indicates, this is an Act to incorporate the Oblate Fathers of Assumption Province. The proposed incorporation would establish a division in the Roman Catholic Order called the Missionary Oblates of Mary Immaculate. The proposed new Province has been established already under ecclesiastical law, and it is now desired to have it legally established in Canada through this instrument. The new Province will be organized and operated by clergymen, mainly of Polish descent, all residents of Canada, and it is designed to be of service primarily to people of Polish descent. The head office will be in Toronto, and the corporation would be competent to make by-laws, to elect officers and directors, and have all other powers customarily given by bills of this character.

The main objects of the bill and of the proposed corporation are to be found in section 7, which reads as follows:

The corporation may establish and carry on missions and parishes, erect, maintain, improve and conduct schools, seminaries, colleges, halls, churches, hospitals, orphanages, and any other buildings for charitable, religious or educational purposes; and it may establish, maintain and manage public cemeteries, and generally promote religion, charity or benevolence.

By the bill the corporation is given power to own, buy and dispose of real and personal property, but in respect of real property these powers will be exercised subject to the laws of the various provinces in which the corporation will conduct its business. The corporation is also given most of the general powers provided by section 14 of the Companies Act, which specifies the general

powers and duties of companies. The corporation is given specific power to borrow money under the usual conditions, and it may conduct businesses which will promote the charitable or religious works for which it is founded.

Honourable senators, if the bill receives second reading I will move later that it be referred to the Miscellaneous Private Bills Committee.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), the bill was referred to the Standing Committee on Miscellaneous Private Bills.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 58 to 68, which were presented on January 24.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

BILLS—SECOND READINGS

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

Bill U, an Act for the relief of Anita Marinier Shaver.

Bill V, an Act for the relief of Mary Matilda Chatfield Eldridge.

Bill X, an Act for the relief of Phyllis Minnie Reid Foster.

Bill Y, an Act for the relief of Harry Leo Metham.

Bill Z, an Act for the relief of Dorothy Cumming Ryan.

Bill A-1, an Act for the relief of Robert Allan Taylor.

Bill B-1, an Act for the relief of Eta Krupnick Caron.

Bill C-1, an Act for the relief of Camille Emile Bunlet.

Bill D-1, an Act for the relief of Catharina Lassahn Schwartz.

Bill E-1, an Act for the relief of Lewis George Joy.

Bill F-1, an Act for the relief of Harvey Clifford Yetman.

Bill G-1, an Act for the relief of Marie Rose Lina Patricia Guertin Theberge.

Bill H-1, an Act for the relief of Jean Prefontaine.

Bill I-1, an Act for the relief of Emma Rosetta Rule Fuglewicz.

Bill J-1, an Act for the relief of Joan Monica Evans Schwarz.

Bill K-1, an Act for the relief of Diana Mary Beatrice Glassco Cumming.

Bill L-1, an Act for the relief of Edith Chatfield Gossage.

Bill M-1, an Act for the relief of Mary Frances Crosbie Kirkham.

Bill N-1, an Act for the relief of Francoise Yip Lim Lesage.

Bill O-1, an Act for the relief of Elizabeth Trefry Cahusac.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

BILL REFERRED TO COMMITTEE

Hon. Mr. Roebuck: Honourable senators, I move that Bill W, intituled an Act for the relief of Jack Stevenson Chalmers, be not now read a second time but that it be referred to the Committee on Divorce for consideration.

The explanation is that since the bill was recommended to the Senate a letter has been received from the respondent claiming that she had not contested the divorce because of lack of funds; it was therefore deemed wise to reconsider the bill before sending it on for second reading.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, January 30, 1957

The Senate met at 3 p.m., the Hon. Adrian K. Hugessen, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

PRIVATE BILLS

LIFE UNDERWRITERS ASSOCIATION OF CANADA—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill J.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill J, intituled: "An Act respecting The Life Underwriters Association of Canada", have in obedience to the order of reference of January 23, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

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

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

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

TRANS MOUNTAIN OIL PIPE LINE COMPANY—REPORT OF COMMITTEE

Hon. Arthur L. Beaubien, Acting Chairman of the Standing Committee on Transport and Communications, presented the report of the committee on Bill I.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill I, intituled: "An Act respecting Trans Mountain Oil Pipe Line Company", have in obedience to the order of reference of January 24, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

CANADIAN PACIFIC RAILWAY COMPANY—REPORT OF COMMITTEE

Hon. Arthur L. Beaubien, Acting Chairman of the Standing Committee on Transport and Communications, presented the report of the committee on Bill S.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill S, intituled: "An Act respecting Canadian Pacific Railway Company and certain wholly owned subsidiaries", have in obedience to the order of reference of January 24, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 90 to 114, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

PETITION WITHDRAWN—REFUND OF FEES RECOMMENDED

Hon. Mr. Roebuck: Honourable senators, I have another report of the committee which I wish to present. It is No. 115, and as it is a little outside of the usual routine of these reports I shall, with your permission, read it, and answer any questions that may be evoked in the minds of honourable senators. It is as follows:

1. With respect to the petition of Virginia Patricia Garipey Gearey, of the city of Montreal, in the province of Quebec, for an Act to dissolve her marriage with James Joseph Gearey.

2. Application having been made by the solicitors for the petitioner for leave to withdraw the within petition and for a refund of the fees paid, the committee recommended that leave to withdraw the petition be granted accordingly, and that the sum of \$100 be refunded to the petitioner.

3. The report of the committee having been adopted by the Senate on January 10, 1957, a refund cheque, payable to the petitioner, was issued and forwarded to the solicitors for the petitioner.

4. The solicitors for the petitioner have now represented to the committee that the petitioner has disappeared and that they have been unable, after due search, to learn her present whereabouts,

and that a period in excess of three years has elapsed since any word has been received from her. The solicitors also represented to the Committee that the petitioner owes to them an amount for legal services, and, in the circumstances, that the amount of the refund of the fees paid should be applied on account of the professional fees earned by the solicitors.

5. The committee recommends that the cheque made payable to the petitioner be returned to the Accountant of the Senate, and that it be cancelled, and that, without prejudice to the rights of the petitioner or of any of the parties to the proceedings, payment be made to the petitioner by cheque in the sum of \$100 payable to her agents and solicitors, Messrs. McDonald, Joyal, Fogarty and Mills, Ottawa, Ontario, the said solicitors having undertaken to deal with the said \$100 in accordance with the equities and according to law.

Honourable senators, I move that this report be taken into consideration at the next sitting.

The motion was agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill S-1, an Act for the relief of Dudley Nurse.

Bill T-1, an Act for the relief of Aldo Ermacora.

Bill U-1, an Act for the relief of Anastazia Suchodolska Matiosaitis.

Bill V-1, an Act for the relief of Joan Simonne Ghent Brooks.

Bill W-1, an Act for the relief of Philip Tamborino.

Bill X-1, an Act for the relief of Muriel Martha Margaret Wilkins St. James.

Bill Y-1, an Act for the relief of Boris Varvariuk.

Bill Z-1, an Act for the relief of Stefania Stella Rosiu Nahorniak.

Bill A-2, an Act for the relief of Douglas Pinkney.

Bill B-2, an Act for the relief of Doris Amelia Carter Nicolle.

Bill C-2, an Act for the relief of Aldona Dodon Kulczycki.

Bill D-2, an Act for the relief of Elizabeth Catherine Baggott Allarie.

Bill E-2, an Act for the relief of Edwin Alfred Le Corney.

Bill F-2, an Act for the relief of Margaret Mary Ellen Morninge Hartwell.

Bill G-2, an Act for the relief of Charlotte Ellis Elkin.

Bill H-2, an Act for the relief of Shirley Anne Julian Boyd.

Bill I-2, an Act for the relief of Georgette Paquette Senecal.

Bill J-2, an Act for the relief of Pierrette Beaudry Dennis.

Bill K-2, an Act for the relief of Catherine Phyllis Reid MacDonald.

Bill L-2, an Act for the relief of Grace Alice Williams Jones.

Bill M-2, an Act for the relief of Olga Helen Descyca Eckford.

Bill N-2, an Act for the relief of Patricia Mary Shewan Chalmers.

Bill O-2, an Act for the relief of Edith Beryl Jewett Gagnon.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

WABANA, NEWFOUNDLAND, AIRSTRIP

NOTICE OF INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Pratt:

Have plans been prepared for the building of an airstrip at Wabana, Newfoundland, and, if so, when does the Department of Transport propose to proceed with the work?

Hon. Mr. Macdonald: I would ask that this inquiry stand until a week from today.

LAND USE

SPECIAL COMMITTEE APPOINTED TO CONDUCT INQUIRY

Hon. W. Ross Macdonald: Honourable senators, with reference to the motion, of which I gave notice yesterday,—

The Hon. the Acting Speaker: Honourable senators, has the honourable gentleman leave to move today the motion standing in his name?

Hon. Senators: Agreed.

Hon. Mr. Macdonald: Honourable senators, yesterday I gave notice of a motion for the setting up of a special committee to study land use in Canada. At that time I suggested that the committee consist of 25 members. May I have leave of the house to increase the number of senators to 26, and also to make one substitution? I should like to have the name of Senator Léger added, and to substitute the name of Senator Basha for Senator Baird.

The Hon. the Acting Speaker: Has the honourable senator leave to amend his motion as indicated by him?

Hon. Senators: Agreed.

Hon. Mr. Macdonald: Honourable senators, I therefore move the amended motion, which reads as follows:

1. That a Special Committee of the Senate be appointed to consider and report on land use in

Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people, and, in particular, to increase both agricultural production and the incomes of those engaged in it;

2. That the said committee be composed of the Honourable Senators Barbour, Basha, Boucher, Bois, Bradette, Cameron, Crerar, Golding, Hawkins, Horner, Inman, Leger, Leonard, McDonald, McGrand, Molson, Petten, Power, Smith (Kamloops), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Tremblay, Turgeon, Vaillancourt and Wall.

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

4. That the committee have power to send for persons, papers and records; to sit during sittings and adjournments of the Senate, and to report from time to time.

Honourable senators may recall that the Speech from the Throne contained a paragraph reading as follows:

It is proposed to recommend in the Senate the establishment of a committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

A number of senators who have already spoken on the Speech from the Throne expressed their approval of this suggestion. I recall that the honourable senator from Montarville (Hon. Mr. Bois), who moved the Address in reply, devoted practically all his address to the subject of making better use of farm land for the purpose of increasing both production and income. When I spoke on the Speech from the Throne I referred to the fact that he is a specialist on the subject. He is a highly regarded authority throughout his own province of Quebec, especially, and in other parts of Canada.

The Leader of the Opposition (Hon. Mr. Haig), when speaking on the Speech from the Throne, welcomed the announcement that the Senate would be asked to appoint a committee to undertake a study of land use. In fact, I think I may safely say that practically all senators were pleased by the announcement.

In its infinite variety of climate and scenery Canada is a wonderful country in which to travel, work and live. However, it is our land to which I wish to make special reference, for it is a vital part of our national heritage and a veritable treasure house of resources. First there is the annual fecundity of the soil, which produces so much food stuffs and other essential products both for our own use and for sale abroad; and, beneath the soil there is a wealth of oil, gas and minerals whose extent is so great that it can only be guessed at.

We are at times inclined to take all this land and its resources for granted and to regard its productivity as unending. To my

mind, honourable senators, this is a dangerous delusion. There is no doubt that we must guard and conserve our land resources. We must keep in reasonable balance the competing pressures for land, particularly when good farm land is affected. For above all we must remember that good land is the essential resource of a sound farming economy, a resource which we in our day should carefully husband so that we can pass it on for the use of the generations who will follow us, in ever increasing numbers, and with steadily growing requirements that they will look to the land to provide.

Agriculture is and will continue to be of vital importance to the Canadian economy. At present some 800,000 persons are employed in agriculture; and, besides the great value of their products both for domestic and external trade, our agricultural workers represent a very important market for the products and services provided by their fellow citizens in non-agricultural industries. It is clear that the prosperity of farming and of farmers is of immediate concern to all of us.

Over a period of many years there has been a trend away from the farm. This in large part is the normal and natural result of the increased use of machinery in farming and the application of scientific techniques that together have quite substantially increased the yield of each acre of land, while reducing the number of workers required for the larger yield.

No one can doubt that this country owes much to those who were raised on our farms—as a number of honourable senators were—and who have left them to find other ways to make a livelihood and contribute to the building of Canada. But my concern today is not with those who have left or with those who have stayed on the farm and are doing well there, but rather with those farmers who are waging a losing battle with insufficient or worn-out land or who, for other reasons, are unable to earn a reasonable income for themselves and their families as the reward of a reasonable amount of hard work.

The Prime Minister, in a speech delivered in Toronto on November 20 last, posed this problem, to which I know he has for some time given considerable thought. After referring to the need for increased food production generally to keep pace with Canada's rapidly growing population, he said:

Now—at least in eastern Canada—the area of our arable lands cannot be substantially increased. On the contrary, there is a not unimportant portion of those lands now included in the farmed area which is quite unfit for ordinary agricultural uses and on which it is deplorable, and in this

country unnecessary, to allow back-breaking work to be continued when it is so obvious that it cannot yield a decent family livelihood to those who engage in that work.

I say that should not be continued, because we are blessed by Providence in this country with such great and valuable resources that any man's consistent arduous work could and should provide him with adequate returns to secure for himself and his dependents a decent livelihood, provided that work is applied to the right job in the appropriate setting.

May I quote one more paragraph from the Prime Minister's speech? He went on to say:

I am convinced that some of the land in eastern Canada that hard-working Canadians are trying to use as farms should go back to forest and water conservation uses and those attempting to live on them resettled in more rewarding surroundings.

The preliminary report of the Royal Commission on Canada's Economic Prospects points out that between 1946 and 1955 the physical volume of output per farm and per man-hour has very substantially increased while the number employed in agriculture dropped by nearly one-third. I quote directly from the report:

Over a long period of time the average incomes of agricultural workers (farmers, family labour and hired labour) were generally lower than the incomes of other producers, except for fishermen.

This is to be noted:

But during the last ten years, the real earnings of agricultural workers have improved considerably, both absolutely and in comparison with the earnings of workers in other occupations.

This is a heartening conclusion, but one of our chief concerns now, when we are instituting the comprehensive study proposed, is to see whether those farmers who are not sharing as they should in this general advance could benefit from some rearrangement of land use. Our endeavour, I suggest, should be to work out some long-term constructive answer to the problem which the proposed committee is to study.

In his speech giving the broad background of the land-use problem with which it is suggested a Senate committee could usefully deal, the honourable senator from Montarville (Hon. Mr. Bois) emphasized that this is a subject in which our Governments have always been interested. He emphasized, too, that research into agricultural policies must take account of their social and national features.

May I say a word here to remind honourable senators that under our Constitution agriculture is one of those areas in which the Parliament of Canada as well as the provincial Legislatures may both make laws. There can be no doubt that any comprehensive study of land use will have to range widely across the Canadian scene, but much of the information that the proposed committee will take under advisement will come

from the provincial departments of agriculture. The pattern of land use varies widely, as honourable senators know, from province to province.

The quotations from the Prime Minister's speech and the paragraph that I read from the Speech from the Throne represent therefore, in my opinion, and I think in the opinion of all honourable senators, a very proper and timely concern for a problem which has many overlapping provincial and national aspects. It is only appropriate that ideas about the better use of land in this country—important as that is for all citizens—should be looked into by both levels of Government whose duty it is to legislate in such matters and from whom our fellow citizens quite naturally expect close co-operation in the examination and solution of problems of such national extent and significance.

Honourable senators, as we look back over the years, as the honourable senator from Montarville reminded us, besides the trend away from the farm as fewer farmers with more machinery and better techniques have been able to produce the food that Canada needed or that could be sold by this country abroad, we see a second trend, the gradual movement away from marginal farms either to take employment in the towns and cities or to find some other farms or new land that could provide a more adequate income.

I am sure that no member of the committee or of this house will want anyone to leave farming who could find a decent living in this honourable field of human endeavour. For all of us realize how attached a farmer becomes to his own land, to his own locality and to the friends and relatives who live around him. Certainly, our first thought must be of measures for the rehabilitation of the less productive farm, wherever that is found justified in the light of all the circumstances. No farmer would want to consider moving to "fresh woods and pastures new" unless it is evident that his present farm cannot be made sufficiently productive for his needs and those of his family.

Hon. Mr. McDonald: And even then it is difficult to get him to move away from home. There is no place like home.

Hon. Mr. Macdonald: I quite agree that there is no place like home. As I said, I do not think any member of this committee or this house would suggest to any farmer that he should move from his home if he can make a reasonable living on his farm by a reasonable amount of work. The purpose of this committee will not be to induce farmers to become dissatisfied with their homes and their land.

Hon. Mr. Roebuck: May I ask whether the productivity of the farm will be the only consideration? A great deal often depends on legal conditions. For instance we have all read of the plight of the share-cropper, when the mere owner carries away the bulk of the produce and the man who actually does the work has very little left.

Hon. Mr. Macdonald: That is probably what we call an economic and social problem between the worker and the owner of a farm. I think the committee will confine its inquiry more to the use to which the land can be put.

Hon. Mr. Roebuck: It won't get far if it limits itself to that.

Hon. Mr. Macdonald: I do not think there are a great many share-croppers in Canada. The purpose of the committee is set forth in the opening paragraph of the Speech from the Throne, which reads:

It is proposed to recommend in the Senate the establishment of a committee to consider what should be done to make better use of land for agriculture and thus to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

The subject raised by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) might come within the bounds of that purpose. However, that will be for the committee to decide. I do, however, want to emphasize—and I think I speak for all members of this house—that there is no desire on our part to encourage farmers who are happy and making a reasonable living for a reasonable amount of work on their farms to leave their farms and seek a livelihood in some other part of the country.

The task of the committee is an important, interesting, and yet onerous one. I would not try to anticipate its findings, but I am confident that during the course of its hearings the problems to which it will address itself will emerge with much greater clarity, and so will the most constructive solutions to it.

Honourable senators will readily recognize, as the Prime Minister himself emphasized recently, that land use is a matter that can be studied in the Senate with great advantage to all the Canadian people. In fact, I am certain that this will be one of the most important studies that the Senate has yet undertaken.

No doubt the inexorable need to earn enough for themselves and their families will continue to persuade Canadian farmers to abandon land that is no longer capable of providing them with an adequate living in reward for reasonable endeavour. No doubt they will continue to seek employment in

other industries, or move to more productive farms or new land. But we realize too that the deterioration of income on a marginal farm is a gradual process, and this, coupled with the ordinary human inertia that dissuades us from leaving old, familiar surroundings, no doubt has delayed some moves too long.

It is, therefore, may I say, the challenging task of this proposed Senate committee (a) to make a broad survey of land use in Canada, (b) to focus public attention on all aspects of this problem, and (c) to invite the best minds in the country to set out their views as to the appropriate solutions, particularly as these would benefit the farmer and tend to raise farm incomes.

Honourable senators, it would not, I think, be too much to hope that this committee, and the light it will throw on the vital subject it is to study, will mark a time of reassessment and re-thinking about this great material source, our land, that will be for our whole economy, and especially for the Canadian farmer and his family, the opening of a new and brighter chapter of progress and prosperity.

Hon. John T. Haig: Honourable members, I wish first to congratulate the honourable Leader of the Government (Hon. Mr. Macdonald) on his statement of the facts in support of the motion. This is probably one of the most important assignments which the Senate has had to undertake since, some twenty-one or twenty-two years ago, I entered this chamber. I would say, to begin with, so that there shall be no misunderstanding, that I do not agree with the remark of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). The subject to which he referred may be important—I do not question that—but it is not part of this investigation. In one province, or even in one section or half-section, one may find, in close proximity to land of the highest productive quality, land which is entirely unproductive.

Before dealing with this aspect of the matter, however, or with the general problem involved, I wish to say a word or two about the movement of people from farms. It is a matter not specifically covered in this motion, but it is of great importance, especially in areas near the larger cities. To speak of Winnipeg, the city I know best: there are many farmers' sons who come to town in the morning by car, work there all day, and return to their farm homes at night. They are attracted by the incomes which men employed in the city get in comparison with those engaged on the farms. I know at least half a dozen farmers living within a radius of twenty-four miles of Winnipeg,

in the neighbourhood of the Trans-Canada Highway, whose boys, aged 18 to 25, come to the city each morning, work as carpenters or otherwise in the building trades, and then go home. I am not going to discuss the reasons for the discrepancy of incomes, but it is a fact, and an important phase of the problem before us, that what the farmer receives for his products is out of line with the level of costs of living in Canada generally. From time to time when a farmer brings in cheques signed by his boys, I ask, "What are they doing?" and I am told, "They are working for the Superior Construction Company" or some other city industry; and this indicates, of course, that these boys are no longer engaged on the home farm.

Hon. Mr. Farris: Is it not also true that people work harder and longer hours on farms?

Hon. Mr. Haig: Yes, and probably that has some influence on the movement away from farms. But primarily what makes these young people come to town is that they can earn more money there. Once they have become city workers their easier life inclines them to stay where they are, but the original incentive is the prospect of better pay.

I should like to illustrate one aspect of the general question. In the province of Manitoba, in the area between Brandon and Portage la Prairie, may be found many hundreds of acres of sandy land. In the early days of settlement the homesteaders cut down the woods and tried to cultivate the land. In this attempt they failed, and they moved out. Subsequently trees began to grow again in these districts as well as in other areas of the province. I suggest that the committee would do well to inquire what is being done in Manitoba and other provinces about the reforestation of lands of low fertility. I have noticed that a large and well-wooded district between Brandon and Portage has grown up entirely through natural causes. With proper attention the growth would probably have been twice as large.

This committee has a very difficult job. I am reminded of the time when the Senate undertook an investigation of income tax matters. We know that our committee on that occasion was not only able to help in the solution of one of Canada's important problems, and thereby do a real service to the people, but that its work reflected great honour on the Senate itself. Here is another opportunity for this chamber to offer the Canadian people, if not a complete solution, some valuable recommendations and suggestions, and, at least, to present the facts of

the situation in respect of our agricultural lands. I think that is the most important thing the committee has to do. Immigrants are needed; Canada will become the home of a much larger population, and if people who come here to settle can be enabled to make a good living it will be all the better for Canada and for the world at large.

What the committee will have to do is to gather information not only from the provincial agricultural officials but from those engaged in reforestation, for each province has already done some of this work. The provinces are disturbed about the present situation and are endeavouring to reforest various sections.

Then there is the question of oil production and conservation. Some areas that are barren so far as agriculture is concerned are tremendous oil producers. I was amazed to learn that the area around the little village of Virden, Manitoba, produced enough oil last year to meet the general oil consumption of the whole province. Oil is now being found in large quantities in Saskatchewan, and honourable senators are familiar with the fabulous oil story in Alberta and northern British Columbia. The committee will have to take into consideration the fact that our oil-producing lands must be protected.

I do not think it is a question of moving people from one locality to another, but rather of showing them what present areas are best suited to produce crops. Fifty miles east of Winnipeg the land is so poor that a farmer cannot make a living off it, no matter how capable he is. I have been through that district time and time again, and I know that its soil lacks some important element. A farmer cannot grow a successful crop there, yet twenty miles on the other side of that district may be found some of the finest farming land in all of western Canada. Similar variations in soils are characteristic of large areas in southern Saskatchewan and southern Alberta. All these conditions will have to be investigated thoroughly.

I am certainly not a soil or agricultural expert, but I have seen areas in Ontario and Quebec that look to me as though they are not capable of growing any crops. Our committee will have to gather information about all these places not, I suggest, from experts whom the committee might hire, but from experts in the Government service who are thoroughly acquainted with the problems and difficulties faced every day by people living on poor lands in different parts of the country.

The problem of trying to make better use of land for agriculture is not a new one. It has existed for many years. When I was a member of the Manitoba Legislature, some

thirty-five years ago, the subject was discussed there. It was a serious problem all over Canada at that time, and it has been ever since.

After the committee has conducted a full inquiry it must then use the information it has gathered as a basis for recommending ways and means of solving this whole problem of land use. The committee will not get anywhere if it recommends that people move from poor land to good land. This would be a costly scheme that would get us nowhere. The aim is to find out what the land is best suited to produce. If it can only be used for reforestation purposes, that is what it must be used for. The committee must produce a reliable, practical report which will, for instance, enable immigrants to ascertain what kind of land they will find in the district where they choose to settle.

I am genuinely happy to support this motion. It is an assignment that the Senate is better equipped to handle than the other house is. I am sure the committee members will perform a real service to Canada, and one which will be everlasting to their credit. I am confident that for many years to come their report will serve as a guiding light to our own people and to prospective immigrants.

The Leader of the Government (Hon. Mr. Macdonald) was kind enough to consult me as to the personnel of the committee. He made the selections and I concurred in them. There may be other members who might have been named to the committee, but by and large we feel that an able and representative committee has been selected. I trust the Senate will express its unanimous approval of the nominated members.

In conclusion, I would like to thank the members of the committee for accepting the onerous responsibility with which they have been charged. I want to assure them that the Senate will do everything it can to enable them to produce a report which will go down in the records as one of the finest achievements of the Senate of Canada.

Hon. Senators: Hear, hear.

Hon. R. B. Horner: Honourable senators, I have just a few remarks to make at this time. As honourable members are well aware, Canada has both good and poor areas for agricultural purposes. For instance, there are whole areas where a mould had formed during a period of thousands of years from leaves and similar vegetation. These lands have yielded a reasonable profit to farmers, but in time the mould disappeared. Western Canada has vast grass areas that are good for grazing purposes but not for farming.

A committee of the University of Saskatchewan conducted a survey into soil conditions

throughout the province, and the information gathered is available to the public.

I look upon our vast lands as a heritage of all our people, and some day our children will discover that Canada's most valuable asset is its land. In this connection I am dismayed, to say the least, that it is found necessary to flood certain areas along the St. Lawrence River for the construction of the seaway.

My main purpose in rising at this time is to warn the Government that the construction of air fields and other projects necessary for the expansion of cities and towns should not be carried out on good farm lands. I thought the Premier of Quebec made a wise suggestion recently when he said it may be necessary to forbid the sale of good farm land for building expansion purposes. In the vicinity of Montreal, for example, some of the choicest farm lands have been taken up entirely by buildings. When I pass through there by train it often occurs to me that it might have been possible to build residential and other property on rock or sand rather than on productive land. Such questions will eventually become of great importance to Canada.

Honourable senators, I wish to make special reference to the great fruit-growing areas of Canada. The Niagara Peninsula is Canada's finest fruit-growing land.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Horner: I am told that it is the most valuable agricultural land in the world. We read of enormous prices being paid for it. No doubt a man holding a portion of it might be offered a sufficient price to retire with his family, so there is always the risk that such land may be sold for building purposes. I think it is an awful thing to use rich farm lands as sites for houses and factories, when less valuable land could be secured. What I am saying here applies also to the very valuable fruit lands in parts of British Columbia, where certain fruits are grown that cannot be produced anywhere else in Canada. I think the Government should use its influence to ensure that such lands are not permanently destroyed for agricultural use. It is a great pity to see beautiful heavy clay soil, which is admirably suited for growing crops, laid over with cement for huge airports and runways. If we do not take steps to preserve our good land for agriculture there may come a day when we shall have nothing but desert left. Some of the land in the district where the honourable senator from Rosetown (Hon. Mr. Aseltine) lives has been rated as the best in the country. It is covered with light loam to a depth of a foot, but if that loam were blown off by windstorms there would still be

left a 50-foot layer of rich, heavy soil. In many other parts of the country, when the topsoil is blown off there is no productive soil left.

Honourable senators, in conclusion, let me say that a fruit belt like that on the Niagara Peninsula is truly a national heritage, not really the property of the man who is at liberty to sell it and make his fortune, and thereby to deny its use for farming for all time.

Hon. John A. McDonald: Honourable senators, I shall try to make myself heard, in spite of a cold, which unfortunately I contracted last week.

In the first place, I beg my honourable leader's pardon for interrupting.

Hon. Mr. Macdonald: Oh, no; the interpolation was very apt.

Hon. Mr. McDonald: Some years ago, when I was with the Department of Agriculture in Nova Scotia, we made an experiment on a nine-mile stretch of road in the County of Antigonish, when we tried to get some farmers to move off of so-called marginal lands onto lands in better communities, with good neighbours, near churches and schools. Had the farmers agreed, we could have closed that piece of road and saved the Government the considerable expense of its upkeep. However, we could not persuade the farmers to move. It will be seen, therefore, that the human element has to be taken into consideration, for people object to leaving their homes.

No doubt there are marginal lands in every province. I am wondering if the committee will find that on some marginal lands the farmers are not growing crops suitable to the land, or are crippled for lack of funds. Possibly some farmers need to change their methods. All these matters must be considered by the committee.

In the eastern part of Canada from which I come the water situation is the reverse of what it is in the Prairie provinces. On the prairies the great need is to take water into the land, mainly by irrigation. Our problem in the east is to get rid of water by drainage. If the Government will do what it has done in times past, rebuild our dikes and aboteaux to keep the tide waters from flooding our best land in the Maritime provinces, it will be of great help. However, there will still be labour and other problems on the farms.

I hope I speak for all the members of the committee when I say that I wish other groups would do as Mount Allison University did last week—organize a round table discussion on this subject. Participating in the discussion were the Deputy Ministers of

Agriculture of the provinces of Nova Scotia and Prince Edward Island and also a very well-informed gentleman from New Brunswick. It was a most interesting discussion, and I am sure the committee will want to have the report of that constructive meeting. Many important questions were asked by the large audience. It would be of great help to the committee if groups across Canada studied this subject and passed on their thoughts to us. I know that each and every member of the committee intends to be as thorough as possible, yet we cannot do much without the co-operation of ministers and deputy ministers of various departments, head of divisions, and principals and professors of agricultural colleges, as well as good farmers, and farmers that are not so good—the good ones to tell us how they have been successful, and the others to tell us of their problems.

Hon. T. A. Crerar: Honourable senators, by any consideration that is given to it, in my humble judgment, this resolution is one of the most important that has come before this house, certainly during the time I have been a member of it.

The Government, and the Prime Minister particularly, are to be warmly commended for bringing forward this idea and giving to this honourable house the responsibility of examining into the matters involved.

Let me say at the outset that we will view this matter in far too narrow a context if we think of it only as appertaining to agriculture. True, agriculture is a very important industry in this country. But the use of land and the conservation of forests and of water are and should be problems of immense interest to this young country. Not only is this true of the present time, but it is of prime importance to its future happiness and well-being. In this respect it would appear the resolution is broad enough to cover an examination into all these matters.

The committee is asked to consider and report on land use in Canada. Now, that does not confine the study to land use for agriculture. The field is broad; we can examine the whole problem of the use of land in its widest application.

The committee is next asked to determine what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people. That refers not only to agricultural land, but to all lands, and to how they can be utilized and developed for the benefit of the Canadian people. The Committee is also asked to examine into

ways and means of increasing both agricultural production and the incomes of those engaged in it.

Broadly speaking, those are the three important questions which this committee is asked to examine into.

It is I think of interest to look for a few moments at what has happened in other countries, and to note what the lack of proper methods of conservation has done to the economies of those countries. Almost 3,000 years ago, if my Biblical history is correct—and if I am wrong, I have no doubt there are several members of this house who can correct me—Solomon took the cedars of Lebanon to help build his temple in Jerusalem. At that time the hills of Lebanon were covered with trees. As the years passed the trees disappeared, and what was the result? The hills became bare, erosion of soil took place, and the disappearance of the forests, the natural conservation agency for streams, has meant that to this day destructive floods occur almost every year in that part of the Near East.

There was a time when the substantial area between the Tigris River and the Euphrates River in that part of the world was covered largely with forests which regulated the flow of these streams and provided subsistence for millions of people. What is the situation there today? That part of the Near East is pretty much a desert, and we in Canada have a direct interest in it because from time to time we are asked through various agencies of the United Nations to assist in its economic rehabilitation.

But the Near East is not the only example of the effect produced by the removal of forests. Spain is an excellent illustration of the devastating results. There was a time centuries ago when Spain was largely covered with forests, which have since been hewn down and have not been replaced. The inevitable consequence has been the erosion and much loss of soil, and poverty and distress for a great many of the Spanish population.

By way of contrast, the Scandinavian peoples have shown great initiative in forest conservation and rehabilitation. Indeed, they were the leaders in this field in Europe. Some 150 years ago Denmark, then little more than a sand spit jutting out into the North Sea, adopted sound methods of conservation by the planting of trees and the growing of forests. This, combined with the use of fertilizers, built up the fertility of the soil and so enhanced its productivity that today several million people live happily in that small country.

Sweden started about a century ago to conserve its forests. I am told that today it

has probably as many trees standing as it had 50 years ago. In other words, the policy was that when a tree was cut down another must be planted in its place.

Numerous illustrations could be given to demonstrate the impoverishing results of lack of proper conservation methods. Take, for instance, India, now engaged in schemes of rehabilitation; and China, particularly the great Yellow River, which is generally known as "the river of misery" because almost every season its waters come down in turbulent force, overwhelming the country and destroying not only a large part of the population but of their work as well. These demonstrate the direct consequences of misuse of land through the destruction of forests and the erosion which follows.

We do not need to go far from home to see what happens as a result of poor conservation methods. Let us look at the beautiful Ottawa valley, which is the centre and home of the capital of Canada. A century and a half ago this valley had the finest forest of white pine known anywhere in the world. It was logged off, used quite properly, but nothing was done to replace it. What is the consequence? In this area today you will find people endeavouring to eke out an existence by farming land that should be growing trees. I sometimes speculate on what would have happened had our forests been maintained, as has been done in Sweden for many years past. True, we still have much forest wealth, but if we had a white pine forest in the Ottawa valley it would add to this wealth, would conserve water for our power plants and provide much useful employment.

I would point also to the erosion that has taken place in the Grand River Valley, in the western part of Ontario. I would hope that our colleague from Waterloo (Hon. Mr. Euler) would have something to say about it. This is an area which we have from time to time discussed in Parliament, because of its difficulties resulting from the cutting away of tree coverage at the source of the river and its tributaries.

Let me take you along to Manitoba; I know something of the conditions there. The honourable Leader of the Opposition (Hon. Mr. Haig) mentioned an area between Carberry and Brandon where the natural cover of spruce trees is coming along. I may say for the information of the house that that is an area where the soil is composed largely of a very light sandy loam. It is admirably adapted for the growing of coniferous trees, and it is a tragedy to see farmers spotted here and there trying to make a living out of a thin soil unsuited for agriculture. But in the

process of years time is effecting its changes, and time is a great changer and a great healer of these conditions. It is almost 50 years ago since I made my first trip through this area, known as the Carberry Hills. At that time only here and there could a coniferous tree be seen. Today they are there in tens of thousands, wholly through natural reforestation; but had we devoted to the development of the resources of this district a fraction of what we have wasted in other directions over the last 75 years, it would now be the home of a vast spruce forest with all the wealth, the means of livelihood and the pleasure that it would give.

I shall mention only one other example in Canada, and that is the east slope of the Rocky Mountains. This slope, from the international boundary to the northern confines of Alberta, was at one time covered with forest, which acted as a natural reservoir for moisture and precipitation, and the streams that came down from the mountain-side found their way across the prairies. With the passage of time some of the forest was cut down, and fire, the most destructive agency, carried away a great deal of the rest. The result is that many of these rivers that should have their headwaters conserved by forest growth, become in the spring raging torrents and in the summer a pitiful trickle of water. The effect of this is felt in the numberless towns and cities along these rivers.

Now it is possible to restore much of the original condition, and this resolution is wide enough in its context, I take it, to authorize examination into these matters if the committee wishes to examine into them. We know very little about conservation in this country. We have been a most prodigal people, a most wasteful people. I remember that, when I had the responsibility of being a minister in the Government, one day a European diplomat came to my office to see me. I always had maps hanging in my office, because I am a great believer in maps. This diplomat asked me if I could show him where the radium mines were located. At that time the only source of radium was on the eastern end of Great Bear Lake at Cameron Bay, and I pulled down the map and pointed out the location. That led to other questions, and I showed him where our great belt of coniferous trees stretched across Canada from Labrador to the Pacific Coast, where our minerals were being discovered, and the location of our fertile lands in the valleys of British Columbia. We sat down for a moment, and then he said: "Mr. Crerar, you have a very rich country here but, if you do not mind my saying so, you

are a very wasteful people." He was correct on both counts. I am not sure that I did not relate that incident in the Senate several years ago. Anyway, it is true: we were, and are, a very wasteful people; but there is evidence that the importance of conservation in its many aspects is being realized by the Canadian people in an ever widening measure, and it is a good thing that this is so.

We have abused our farm lands in a large part of Canada. Now we have the problem of restoration before us and on that point may I mention this, that if any of my honourable colleagues are interested in what can be done in restoring farm lands I would suggest that they read a couple of books written by the author Louis Bromfield. Mr. Bromfield made his first start at writing books quite a number of years ago and he was very successful. He went to France to live, but during the Second World War when France was threatened with being overrun by the Germans he escaped from that country and came back to America, to the small country district in Ohio where he had been born. He had a recollection of what Ohio originally was. It had all been a forest at one time; but the land had been cleared of its forest growth and had been cropped year after year. The fertility of the soil had disappeared. Bromfield, who had the means to do it, undertook, as an illustration project, to bring back the old homestead upon which his grandfather had located more than a hundred years before. These books are named *Pleasant Valley* and *Malabar Farm*, and they tell the story of the restoration of that old farm to full fertility. It is an extraordinarily interesting illustration of what can be done by sound rehabilitation and conservation methods.

It is eminently fitting that this inquiry should be entrusted to the Senate. It is a duty we are well qualified to undertake and one through which we can render a definite service by an examination of these problems, and, I trust, the presentation of wholly non-partisan and constructive proposals that will adequately fix attention upon them. I realize that in respect of the administration of resources the provinces are supreme; but that does not prevent this house from making an examination, accumulating data, analysing it, and, I trust, drawing sound conclusions.

For these reasons, honourable senators, I warmly welcome this resolution, and I think we need have no hesitation in giving it our unanimous support.

Hon. Mr. Davies: Can the honourable Leader of the Government (Hon. Mr. Macdonald) inform us whether this committee is to be a travelling body, or will it sit only in

Ottawa? There is nothing in the motion to indicate whether it has the right to travel over the country or not.

Hon. Mr. Macdonald: That is a question which the committee itself will have to decide.

Hon. Mr. Davies: If the committee is to spend money in travel, should not the motion provide authorization for it?

Hon. Mr. Macdonald: It is my recollection that when the committee which was set up to inquire into the traffic in narcotic drugs in Canada decided to sit in a centre other than Ottawa, it came to the Senate and asked for a grant to enable it to pay the expense of holding sittings elsewhere. I therefore return to my first statement, that in the first instance it is a matter which the committee itself must decide; and then, I believe, under our practice the committee would have to come to the Senate for final authority.

Hon. Austin C. Taylor: Honourable senators, it is pretty difficult for me to remain seated when a matter relating to agriculture is being discussed. Before I say anything about it, however, I should like to express to all honourable senators the happiness and the pleasure I feel in having become a member of this august and honourable body. I can assure you that I feel highly honoured in being associated with this group of men and women. Also may I mention, since this is my first session, that I appreciate more than I can express the friendship which has been shown me by all honourable members of this body, from the oldest to the youngest. I can say without any question of doubt that everyone has tried to make me feel at home. I trust that these relationships will continue throughout the time of my sojourn here.

Turning to the subject of this resolution, I have been interested in agriculture all my life. I was born on a farm; I am still living on and operating a farm. I do not intend to go into detail or discuss at any length the various aspects of the work which will be before the committee, but I should like to make reference to one or two points which, to my mind, are of tremendous importance.

It is unfortunate that in some quarters the references by the Gordon Commission to agriculture have been misinterpreted or misunderstood. I have read over the report carefully, several times, and I think it contains many good things. It may be that all the conclusions arrived at by the committee on the facts presented to it are not shared by every member of this body, but it is self-evident that there is a problem, and a very

difficult one, in relation to the various phases of agriculture that are dealt with in the report.

I am not entirely in agreement with those who contend that there is not a need to move some farmers to new locations elsewhere. In 1949 I visited every province and spent some days in each of them, studying various types and methods of agricultural production; and in the following year I had the opportunity as a member of the Canadian delegation attending the International Federation of Agricultural Producers in Sweden, to study agriculture in other lands. I then came to the definite conclusion that, as far as my own province is concerned, something should be done in connection with certain areas, though probably few in number, which were opened up and settled in the early days and are situated near the tops of mountainous regions or consist of nothing but gravel from the top soil to 30 or 40 feet below. Over the years many farmers who had settled in surroundings of this kind have, in the course of evolution, transferred their energies elsewhere. After my return from the trips I have mentioned I advocated the transfer of farmers from submarginal areas to districts where the soil was reasonably easy to cultivate and locations were nearer the markets. As I have said, this process has been going on by evolution; and I do not believe that any committee or any one individual authority can do the job; it is essentially a joint operation between the farmers themselves, the municipalities, the provinces and the dominion.

Although undoubtedly in certain areas the necessity for such movements exists, the major problem facing agriculture today is the economic situation which affects all farmers. I happen to live in an agricultural district, and I know that most of the men and women today engaged in farming in my province are middle-aged or old. I know, too, that there are many vacant farms in New Brunswick, because their former operators were not able to make, by comparison with the rest of the population, a reasonable living.

Foremost among the questions to which study should be given is the education of our people in the organization of all farm groups into bodies which are going to do a job for themselves. For today, throughout Canada, farm people have made it clear that they want to undertake these things for themselves and that they do not expect governments to do everything for them. I think that is a sound attitude. But we must recognize that there are many problems in this connection: production, the selection of areas

most suitable for specific types of production, marketing organization, proximity to markets and in general, and a set-up which will enable the farmers to get everything they can out of their operations.

Louis Bromfield, to whom the honourable senator from Churchill (Hon. Mr. Crerar) has already referred, once said something like this: "There is no more important labour on earth than that of the farmer."

During the war years I had the responsibility of administering departmental operations in my own province, and I will never forget the spirit of devotion—of sacrifice, if you will—of the farm people there in those times. I would like to give you an illustration. I was asked one time to address a meeting being held in the dairy section of my province. Before the meeting took place I went to visit a certain farmer, but I found he was away from the farm doing some work in connection with the meeting. In the barn I found his father and mother milking some cows that belonged to a herd of pure bred registered Jerseys. The mother was a little old lady in her seventies and, calling her by name, I said, "It seems to me this is just too much for you to be doing." Well, I will never forget the look on her face when she replied, "Mr. Taylor, it is something I can do and I am only happy to be able to do it." That is the type of sacrifice people on the farms are still making.

Honourable senators, I must conclude my remarks, but it is pretty difficult for me to stop when I get going on a subject such as this. This subject is very important to me and I am happy that I have been selected as a member of the committee. I can assure you that in so far as the members of the committee are concerned, we will do our utmost to bring about some condition to improve the welfare of the farm people of Canada. To my mind that is of primary importance, for there is no more stabilizing influence in the world today than our rural population. The committee has a big job to do and, as I see it, it has taken on a tremendous responsibility. I believe that in the thoughts of farm people throughout Canada today there is, as a result of the setting up of this committee, a type of optimism that they have not had for many years. They know that the authorities are making a real attempt to do something for Canadian agriculture.

I welcome the remarks of the honourable Leader of the Opposition (Hon. Mr. Haig), who said he was quite satisfied with the establishment of the committee and that he was willing to give it his full support. I am sure every member of this august body has the same view. I want to emphasize that each of us on the committee has a great

responsibility and a difficult task ahead. We must put our best efforts into our work in order to bring about a report that will result in improving the welfare of the masses of people who are and who will become our rural population.

Hon. Arthur W. Roebuck: Honourable senators, I am sure I express the opinion of everyone here when I congratulate my new deskmate the honourable senator from Westmorland (Hon. Mr. Taylor) on the very impressive speech he has just made.

Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: I know that we all welcome the honourable senator and look forward to many contributions from him in the years that lie ahead. He has already proved himself to be a valuable member of the Divorce Committee, of which I have the honour to be chairman. I am sure that as the years go by his experience, wisdom, fluency and sincerity will make their mark in this chamber.

One of my reasons for rising at this time was to pay this compliment to our new colleague. Another reason was to remark that the Leader of the Government (Hon. Mr. Macdonald) was guilty of a masterpiece of understatement when he told the house that this was an important resolution. It could not have been more important, for we are all land animals. We live from the land and by the land, and none of us can exist even five minutes without it. The use we make of land is essentially important to our progress and to our civilization.

I believe I have spent as much time as anyone in the Senate in considering the problems and philosophies of land tenure, land values, and so on. I do not mean to say, of course, that I am the only repository of such knowledge. For instance, the honourable Leader of the Opposition (Hon. Mr. Haig) and the honourable senator from Churchill (Hon. Mr. Crerar) have already expressed their sentiments in the matter.

The importance of land and its use simply cannot be overestimated. I hope that this committee will not limit the scope of its inquiry to even such important subjects as land conservation with respect to agricultural areas of our country. As the honourable senator from Churchill has already pointed out, this resolution asks for a report on land use in Canada. I am not a member of the committee and I suppose this is largely because I am from an urban locality rather than an agricultural one. If that is the reason, it is a mistake—

Hon. Mr. Macdonald: I am sure the Leader of the Opposition (Hon. Mr. Haig) will agree

with me that that was not the reason why the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) was not named to the committee. We felt that his time was so taken up on another important committee that he would hardly be able to spare time for this one.

Hon. Mr. Roebuck: I hope that my membership on the Divorce Committee will not keep me off other important ones. There are times when one feels it is most unfortunate that the work of that committee prevents attendance at some of the others. I did not intend to make a personal reference. I wanted to point out that the most valuable land in this country is to be found in the towns and cities, not in the country, although the area of land is of course very much greater in the rural areas. You can find a square rod of land in the city of Toronto or the city of Montreal which is as valuable as a whole farm on the outskirts, and I am putting it very conservatively at that. Some of our most valuable resources are the lands of our cities, and the use that is made of the land both in the rural and urban areas is an exceedingly important matter. I am just hoping that what has been said by the Leader of the Government and the Leader of the Opposition does not mean that this committee will limit its inquiry to such subjects as conservation and soil fertility and have no regard to the application of law with respect to the use of land in both places.

Let me give an illustration. Back in 1904 I went up to northern Ontario. At that time the mineral resources of our north country were just coming into view, and shortly thereafter an inspiring army of prospectors moved into the area. It was a marvelous thing to see these men with bags on their backs and picks in their hands starting out into the trackless wastes looking for mineral resources. There were scores of these prospectors, and many of them came back with their prizes. Where is that army of prospectors today? They are long since gone and nearly forgotten, but not because the prospecting of the north has been done, for it has only been scratched. The reason they disappeared was that, under the law, when they staked a claim, did the assessment work on it and got the patent, it then became their own. They then had nothing more to perform and almost nothing more to pay. The taxation of a claim in northern Ontario, after one had passed it into a land title in fee simple, was \$2 per annum for 40 acres. Frequently the \$2 was not collected for years, so that gradually the whole of the most accessible and likely land staked was unused and held for speculative purposes in the hope that somebody else would make it

valuable by other developments. If at that time the \$2 fee had been multiplied by four, so that the holder of a title to natural resources of our country paid a more reasonable amount for his privilege, thousands of acres would have been thrown open for further prospecting and development.

Honourable senators, I am not acquainted with the situation now as I was in those days, but it illustrates what can be accomplished through wise legislation by forcing into use, and into the best use, the country's natural resources.

Let me give one more illustration, one that is within my ken now. I live in a great city that is growing and expanding; all around it is a big blanket of farm lands held for speculation, not for use. Now the speculative holding of these lands forestalls the enterprise of my city. Is not that sort of thing to be considered, Mr. Leader, when this committee is in session? I hope the members of the committee will not close their minds to the philosophy of common sense in law as applied to land ownership. We need only look to certain other countries, say in the Middle East, to see the effect of land tenure there on the production of the soil, and its consequent effect on the people. In the Middle East only the poor pay taxes, because emphasis has been laid so strongly on land ownership instead of land use.

When I say that a form of taxation which makes living more expensive and production more costly tends to the ill use of our lands, who could contradict me? Farmers have argued, particularly western farmers, that tariffs have a vital and most influential effect on the use of land and on the profits that can be made therefrom. Surely the committee will not close its mind to considerations of that kind. The committee will not go very far if it shuts out from consideration everything except conservation and fertility of soil, the shifting of people from one locality to another, and so on, and is not prepared to study the fundamentals of the question referred to it.

Honourable senators, no more important committee than this has ever been established here. I wish it all success. However, it is essential that it hew to the line, not close its mind to any arguments pertinent to the question, and bring in a bold and sensible report.

The motion was agreed to.

DIVORCE BILLS THIRD READINGS

Hon. Mr. Roebuck moved the third reading of the following bills:

Bill U, an Act for the relief of Anita Marinier Shaver.

Bill V, an Act for the relief of Mary Matilda Chatfield Eldridge.

Bill X, an Act for the relief of Phyllis Minnie Reid Foster.

Bill Y, an Act for the relief of Harry Leo Metham.

Bill Z, an Act for the relief of Dorothy Cumming Ryan.

Bill A-1, an Act for the relief of Robert Allan Taylor.

Bill B-1, an Act for the relief of Eta Krupnick Caron.

Bill C-1, an Act for the relief of Camille Emile Bunlet.

Bill D-1, an Act for the relief of Catharina Lassahn Schwartzje.

Bill E-1, an Act for the relief of Lewis George Joy.

Bill F-1, an Act for the relief of Harvey Clifford Yetman.

Bill G-1, an Act for the relief of Marie Rose Lina Patricia Guertin Theberge.

Bill H-1, an Act for the relief of Jean Prefontaine.

Bill I-1, an Act for the relief of Emma Rosetta Rule Fuglewicz.

Bill J-1, an Act for the relief of Joan Monica Evans Schwarz.

Bill K-1, an Act for the relief of Diana Mary Beatrice Glassco Cumming.

Bill L-1, an Act for the relief of Edith Chatfield Gossage.

Bill M-1, an Act for the relief of Mary Frances Crosbie Kirkham.

Bill N-1, an Act for the relief of Francoise Yip Lim Lesage.

Bill O-1, an Act for the relief of Elizabeth Trefry Cahusac.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's Speech at the opening of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

(Translation):

Hon. Felix P. Quinn: Honourable senators, may I be allowed to extend congratulations to the mover of the Address in reply to the Speech from the Throne. It is always a great pleasure for me to hear the beautiful French spoken by our friends from the province of

Quebec or elsewhere. That is all I am going to say in French for the time being.

(Text):

May I also compliment the seconder of the Address, another of the new recruits to our ranks. Both the mover and the seconder have acquitted themselves most admirably, as have all those who followed them. All maintained the high standard of excellence for which this honourable body is noted. I should like to make particular reference to the honourable senator from Banff (Hon. Mr. Cameron), who last evening gave us a very illuminating and instructive address on his recent trip to India and the meeting of UNESCO which he attended there.

In passing I may say that although our new colleague the honourable senator from Westmorland (Hon. Mr. Taylor) has not so far spoken in the debate on the Speech from the Throne, we listened with interest to his remarks this afternoon on a subject on which he is well qualified to speak.

Honourable senators, I do not intend to speak at length. Even if I wanted to I could not, because although the spirit is willing the flesh is indeed weak. However, there is one item in the Speech from the Throne to which I should like to draw your attention. I refer to the proposal that grants to universities be doubled. University grants are allotted on the basis of provincial population rather than on student population in each university. Under this system Nova Scotian universities, with their large enrolments, have always suffered a disparity in relation to universities in other provinces, and the doubling of grants at this time would merely serve to increase that disparity. I would ask the honourable Leader of the Government (Hon. Mr. Macdonald) to again draw this protest on the part of Nova Scotia to the attention of the Prime Minister and his cabinet, with a view to finding a more equitable method for the distribution of grants.

This problem was brought to the attention of the public in an article published in the *Halifax Chronicle-Herald* on January 24 last, under the heading "Patent Injustice." The article reads:

Despite the general satisfaction which has greeted the news that the Canadian Government has decided to double the federal grants to universities, thereby bringing up the total grant to a level of one dollar per head of provincial population, there is widespread disappointment, particularly in the Maritimes, that the basis of calculation for these grants still remains the same.

This is a situation against which Maritime universities have protested long and vigorously. By adopting as a calculation base in the first place the provincial population, rather than the university population, a disparity is established which in effect penalizes the universities which are doing the most work.

Universities in Nova Scotia, for example, where the student population forms a higher proportion of the total provincial population than elsewhere, obviously receive much less in grant per student head—and that for doing a greater amount of work in relation to the province and its population. And by the raising of rates of grant from fifty cents to a dollar, the initial disparity, as well as the total grant, is actually increased.

This lies particularly hard on a province with such an educational record of service as Nova Scotia, and seems hardly a fitting manner of recognizing the obligations which the education of this province has laid upon the whole country. In this connection it is of interest to quote from a most interesting report recently published by the secretary to the University of Edinburgh. Charles H. Stewart, who in addition to being a graduate in Arts and Law, is also a chartered accountant—and who, therefore, has more than one right to be heard in such matters—last year toured Canadian universities under appointment to a fellowship from the Association of the Universities of the British Commonwealth.

In his report Mr. Stewart comments on the "irrefutable" need of Canadian universities for increased financial support, not merely to keep abreast of the existing needs, but also to have some prospect of coping with the vastly increasing enrolment. And then follows this passage:

"For myself, remembering the Maritimes, which, for all their small numbers, have made such an immense, perhaps a preponderant, contribution to Canadian education (did I say that they reminded me of Scotland?), I very much hope that the formula of calculation will be revised. It would be a sad day for Scotland if her universities were to be treated in the same way as those in the Maritimes."

This is a powerful witness from an unbiased observer from outside, and its weight, especially based on such qualifications, cannot be lightly dismissed. The plain truth is that the system of grants, as presently administered, may go far to meet at least some of the more pressing needs of Canadian universities, but it definitely works a hardship on Maritime institutions.

May I add, honourable senators, that the universities of Nova Scotia have made a tremendous contribution to this country, to our neighbour to the south and to other countries. Nova Scotia has provided Canada with three of its eleven Prime Ministers; New Brunswick has produced one Prime Minister of Canada and one Prime Minister of Great Britain. So, the universities in our part of Canada have a record of which they are justly proud. I trust that that record will help influence the Government to attempt to improve, and if possible to rectify, the situation to which I have referred.

Since my recent return from the east coast I have read in the press of the extent to which the facilities of the Port of Halifax have fallen short of meeting the demands made upon them. Some two weeks ago, about the time that I left home to come here for the session, there appeared in the press a news item to the effect that Halifax harbour was clogged, that all piers in the port were occupied by steamships, that many had to

await their turn at the anchorage before being provided with a berth, that considerable delay was caused to transportation facilities thereby, and that that condition was going to affect adversely the Port of Halifax.

Now, honourable senators, if we do not provide more harbour facilities at that location, the trade will go somewhere else. The preliminary report of the Gordon Commission says that economically the Maritimes are away behind the other provinces of Canada, yet here we have an opportunity to do business and we are not provided with proper facilities to handle it.

That is all brought to light in an article that appeared in one of our local newspapers recently. It is headed "Enforced Delays In Cargo Handling Draws Complaint." The article goes on to say:

A complaint that lack of adequate shed facilities has caused considerable delay in unloading perishable cargo from one of the freighters now in port, has been voiced by a local steamship man. The movements of the *Marie Teresa G.*, the ship involved, were related by A. C. Huxtable, manager of the Montreal Shipping Company, agents for the owners of the ship.

Mr. Huxtable's narrative of the ship's movements in this port gives the following picture:

Arrived on evening of January 15, unable to dock as no heated shed available.

Docked first at noon on January 16 at pier 21.

Moved to pier two on morning of January 17, with perishable cargo still aboard, as liner needed pier 21 to disembark passengers.

Returned to pier 21 on evening of January 17, when liner had departed.

Moved on morning of January 18 after her perishable cargo had finally been removed to pier 36 to unload the remainder of her cargo.

Mr. Huxtable said the cost of tugs for moving the vessels from one berth to another was over \$600. Commenting, on the facilities offered ships here he said there is room for improvement. Mr. Huxtable suggested that portable heaters could be made available so that any shed along the waterfront could be heated if needed.

Halifax has only two heated sheds at which perishable cargo can be discharged. They are located at piers 21 and 24. Pier 21 is the passenger and immigration berth and any passenger or mail carrying ship has priority for accommodation over cargo ships. Pier 24 is a grain loading berth and almost continually used during winter months by ships taking grain. The shed itself is used mostly for storage of perishable cargoes waiting to be shipped.

The majority of ships with perishable cargo go to Saint John. Mr. Huxtable said if Halifax were able to offer more facilities for the unloading of such cargo, more traffic might come here.

The perishable part of the *Marie Teresa G's* cargo consisted of 400 tons of oranges from Mediterranean ports. She also discharged here 1,300 tons of general cargo. Three days to unload 400 tons of cargo plus over \$600 extra expense the spokesman said, hardly encouraged use of this port.

Mr. Huxtable advised that having a heated shed at a berth used by passenger vessels was superfluous, because during the busy season the pier is almost continually made use of by ocean liners.

The Danish freighter *Lars Maersk*, which is expected to arrive here Thursday from Boston, has about 700 tons of perishable cargo to discharge. With several passenger ships also expected around that time, similar difficulties are ahead for harbour authorities.

Now, honourable senators, there is a situation that I submit should be remedied. I am sure I will have the support of my honourable colleagues from Nova Scotia in expressing to the Government the need for more facilities in the port of Halifax.

On motion of Hon. Mr. Dessureault, the debate was adjourned.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 69 to 89, which were presented on January 29.

Hon. Arthur W. Roebuck, Chairman of the committee, moved that the reports be adopted.

The motion was agreed to, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, January 31, 1957

The Senate met at 3 p.m., the Hon. Adrian K. Hugessen, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 116 to 122, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill P-2, an Act for the relief of Leonard Bloom.

Bill Q-2, an Act for the relief of Helen Mary McEachran Cole.

Bill R-2, an Act for the relief of Frances May Cousins Stone.

Bill S-2, an Act for the relief of Gwyneth Owen Young Douglas.

Bill T-2, an Act for the relief of Beverley Carol Wilson Barnes.

Bill U-2, an Act for the relief of Katharine Kimball Little Blake.

Bill V-2, an Act for the relief of Frances Elizabeth Lyon Rose.

Bill W-2, an Act for the relief of Sylvia Elizabeth Goodfellow Rief.

Bill X-2, an Act for the relief of Anne Griffith Brown.

Bill Y-2, an Act for the relief of Dorothy Ellen McCulloch Ritchie.

Bill Z-2, an Act for the relief of Marie Rose Elizabeth Giroux Lefrancois, otherwise known as Colette Giroux Lefrancois.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

May I say that by that time, I think, we shall have received the financial bill based on the supplementary estimates. In that event, I would suggest that we proceed on Tuesday evening with this bill as our first order of business; and when that is disposed of I would ask honourable senators to consider Order No. 10, for the second reading of a bill to amend the Quebec Savings Banks Act. I would like to proceed with this order on Tuesday because one of the persons who doubtless will be called as a witness if the bill is referred to committee will be leaving the city soon afterwards and will be away for several weeks. If the committee sits next week he can be called and attend at that time.

The motion was agreed to.

SENATE STATIONERY

NOTICE OF INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Pouliot:

1. What is the price for embossing notepaper and envelopes of the Senate, and what would be the price for printing only the words "The Senate, Ottawa" on each piece of paper and each envelope, instead of having them embossed?

2. What stock of embossed paper has the Senate in reserve?

Hon. Mr. Macdonald: I would ask the honourable senator from De la Durantaye (Hon. Mr. Pouliot) if he will allow this inquiry to stand until Tuesday next.

Hon. Mr. Pouliot: Yes.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—
DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's Speech at the opening of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

(Translation):

Hon. Jean-Marie Dessureault: Honourable senators, I should like first of all to join with those who spoke before me in extending my heartiest congratulations to the mover of the Address in reply to the Speech from the Throne (Hon. Mr. Bois) who acquitted himself of the task most ably and eloquently.

(Text):

It gives me also particular pleasure to extend my congratulations to the seconder of the address (Hon. Mr. Smith, Kamloops). Both have made an excellent impression by the manner in which they discharged their responsibilities.

I also take pleasure in congratulating and welcoming the four new senators recently

appointed. On account of their wide experience and knowledge they will surely make a good contribution and be a valuable asset to the Senate.

(Translation):

It would also seem fitting to point out that tomorrow, the 1st of February, is the 75th birthday of our esteemed and distinguished Prime Minister, the Right Honourable Louis St. Laurent. I am sure that I express the feelings of all honourable members of this house when I wish him a happy birthday and voice the hope that Providence may long keep him as keen, as active and as energetic as he is now, so that he may continue to direct the destinies of our great and beautiful country.

I believe we may well feel gratified and that we should thank Providence for having given Canada, in these difficult and troubled times, as worthy and able a prime minister.

Mr. St. Laurent is considered by his French-speaking as well as his anglo-saxon compatriots not only as an ordinary politician but as a great statesman, who has left his mark and who is a credit to us in both the national and the international fields. His advice as head of the Government is invaluable.

In the course of his trips throughout the different countries of the world and of his meetings and conversations with heads of governments, his ability and his exceptional qualities of judgment were duly recognized, as was his deep knowledge of difficult international problems. He is, moreover, a thoroughly honest man, in the fullest meaning of the word.

I am convinced, honourable senators, that the feelings I have expressed are shared by all my colleagues and by all Canadians.

(Text):

I now come to the Speech from the Throne. While I fully favour the Government's expressed policy, which proposes such things as the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences, additional grants to Canadian universities, and a Senate committee on land use, I particularly appreciate the payment of grants to municipalities, which will be of great benefit and advantage to many cities, especially my home town, Quebec City. However, I intend to deal this afternoon with two particular subjects, namely, inflation and the North Atlantic Treaty Organization.

(Translation):

Inflation is mentioned in the speech from the throne; it is indeed a timely topic. It is a matter of concern to governments, bankers, business leaders and economists; and for the public, a subject of endless conversation.

Inflation is a most complicated phenomenon, for which there are many definitions. It has been said, among other things, that it is a money disease. Like any other disease, it indicates a lack of balance; in this case, between the amount of money in circulation and the amount of goods and services available, or a lack of balance between the needs of the expanding economy and the material and labour available. Inflation causes an unreasonable rise in prices which, in turn, depreciates the value of money.

If inflation is considered to be a disease, it might be compared to the high blood pressure which sometimes affects the human body. To give stimulants to a patient suffering from that disease is to expose him to death. After the first World War, the German Government issued more and more money in order to meet its daily growing needs, but in the end this policy caused the fall of the mark. It would also be useless to treat the patient so that his blood pressure would become abnormally low. In the same way, if the pressure of money is lowered to excess, then inflation is replaced by deflation.

In my humble opinion a true remedy would therefore require that the balance be restored by slowing the pace of economic development in order that supply and demand may be as closely related as possible. That is precisely what the Bank of Canada is endeavouring to do, with the help of the chartered banks. Higher interest rates and credit restrictions should help reduce investments and expenses generally, in order that they may better reflect the volume of material and labour available in Canada today.

Another cure, which is surely most effective, is to encourage public savings. And it was to stimulate public savings that the Canadian Bankers' Association recently decided to raise to 2½ per cent the rate of interest on savings accounts. I foresee that before long it will reach 3 per cent.

(Text):

The reference in the Speech from the Throne to the North Atlantic Treaty Organization is as follows:

An encouraging advance is being made, as evidenced by the latest Ministerial Meeting of the Council, in the development of the North Atlantic Treaty Organization in the non-military as well as in the military field. My ministers remain strongly

convinced of the need to maintain the North Atlantic Treaty as the keystone of the defence of the Western Nations.

Further on in the speech it is mentioned:

Recent events have confirmed my ministers' belief in international problems through the United Nations and of upholding by all practical and constructive means the principles of the United Nations Charter. My ministers also believe, however, that while making every effort to achieve these long-term goals, the Western nations must remain strong and united in their defences and in their diplomacy in order that aggressive action against them will be prevented and international tension can be lessened.

I am pleased with those references to NATO, and I am in accord with the attitude the Government is taking. Since I had the privilege—thanks to our leader in this house (Hon. Mr. Macdonald)—of being a member of the Canadian delegation to the Interparliamentary Conference that took place in Paris from November 18 to 23 last, I thought it would be fitting at this time to give a short report of that conference and to express to this chamber my thoughts and feelings about the importance of NATO.

The Canadian delegation left Ottawa on November 16 and returned on November 26 for the opening of the special session of Parliament. It was composed of 14 members—12 members of the House of Commons and two members of the Senate, Senator McLean and myself. The delegation was headed by Mr. Charles Cannon, a member of the House of Commons and the Executive Chairman of the Canadian NATO Parliamentary Association, who represented our country on the standing committee. Here I want to pay special tribute to the able and distinguished way in which Mr. Cannon discharged his responsibilities as leader of the Canadian delegation, and also to all the other members, who attended all the meetings regularly and took an active part in them.

The United States delegation was composed of eight senators and nine members of the House of Representatives. Mr. Wayne L. Hays, Democratic congressman from Ohio, was elected Chairman of the Conference of NATO parliamentarians, to succeed Senator Robertson, the Speaker of this chamber.

There was a strong delegation from Britain, 15 delegates in all, including the Right Honourable Walter Elliott, the Right Honourable Clement Davies, the Right Honourable Sir Lionel Heald, the Right Honourable George Brown, the Right Honourable Hugh Gaitskell and the Right Honourable the Earl of Listowel.

France sent 33 delegates, including eight senators.

The meetings were particularly important this year because of the international situation, and the keynote was the importance

of political consultation and economic co-operation. The best example of the importance of political consultation among the nations of NATO is the Suez incident. We all came to the conclusion that it would have been better if there had been political consultation before action was taken, even if the consultation had not resulted in agreement.

An example of the importance of economic co-operation is the Iceland situation. Iceland is an important member of NATO because it is used as an air base for NATO troops. Russia offered to purchase one-third of Iceland's production of fish, on the condition that American troops were to leave Iceland. If there had been sufficient economic co-operation to prevent this situation arising it would have had a very important effect from a military and strategic point of view. Economic strength is a foundation for military strength.

Political, economic, military and cultural committees were organized by the conference, and Canadians sat on all these committees. Senator McLean was elected Chairman of the Economic Committee and I was appointed a member of the Political Committee.

The importance of NATO parliamentary associations has been underlined, and I think there should be placed on record some reference to the report of the committee of three—of which our distinguished Secretary of State for External Affairs was a member—which was appointed by NATO. Paragraphs 58 and 59 of the committee's report, which was issued recently, read as follows:

58—Among the best supporters of NATO and its purposes are those members of Parliament who have had a chance at first hand to see some of its activities and to learn of its problems and to exchange views with their colleagues from other Parliaments. In particular the formation of national parliamentary associations and the activities of the conference of members of Parliament from NATO countries have contributed to the development of public support for NATO and solidarity among its members.

59—In order to maintain a close relationship of parliamentarians with NATO the following arrangements are recommended:

(a) That the Secretary-General continue to place the facilities of NATO headquarters at the disposal of parliamentary conferences and give all possible help with arrangements for their meetings.

(b) That invited representatives of member Governments and the Secretary-General and other senior NATO civil and military officers attend certain of these meetings. In this way the parliamentarians would be informed on the state of the alliance and the problems before it and the value of their discussions would be increased.

I submit, honourable senators, we have there a very interesting and also well deserved commendation of NATO parliamentary associations by the committee of three.

At this stage and in this respect it might also be well to mention the visit during the last few days here in Ottawa of three officials

of the Conference of Members of Parliament from NATO countries. They are Mr. Wayne L. Hayes, President, Democratic Congressman from Ohio; F. Berendsen of Germany, Vice-President, and Douglas Robinson of London, England, Executive Secretary.

In closing, I wish to pay tribute to our Speaker, the Honourable Senator Robertson, former President of the Conference of NATO Parliamentarians and of the Canadian NATO Parliamentary Association, for his foresight, tenacity and untiring work, without which the 1955 Paris meeting of NATO parliamentarians would never have been held, and probably the 1956 conference as well. At the last meeting of the conference in Paris a signal honour was conferred on him. The conference named him Honorary President for life, in recognition of the great work he accomplished in bringing this organization into being.

I wish also to make a special mention of Lieutenant-Colonel R. Larose for his excellent and invaluable help as Secretary of the Canadian NATO Parliamentary Association. He was in a large measure responsible for the success of our delegation. He was untiring in his devotion and I can think of no one who could replace him to advantage.

On motion of Hon. Mr. Pratt, the debate was adjourned.

PRIVATE BILL

ALASKA-YUKON PIPELINES LTD.— SECOND READING

Hon. Stanley S. McKeen moved the second reading of Bill P-1, an Act to incorporate Alaska-Yukon Pipelines Ltd.

He said: Honourable senators, the purpose of this bill—

Hon. Senators: Hear, hear.

Hon. Mr. McKeen: I don't know whether that means support or opposition.

The purpose of this bill is a step toward increasing the facilities for the distribution of petroleum products in the Yukon Territory and in that portion of British Columbia lying immediately to the south of the Yukon boundary. Alaska-Yukon Pipelines Ltd. is asking for incorporation so that in conjunction with an Alaskan corporation it may proceed with the construction of a pipe line from Haines, Alaska, a sheltered port, to Haines Junction in the Yukon. The pipe line involves an estimated expenditure of about \$3,500,000, and it is expected that when it gets into operation, prices to the majority of consumers of petroleum products in the Yukon Territory and Alaska will be considerably reduced. It is estimated that a

connection can be made with the Canol System at Haines Junction. The Canol System extends from Skagway, Alaska, through Carcross to Whitehorse, and then southwest to Haines Junction and Fairbanks, Alaska, and southeast from Carcross to Watson Lake. Construction by Alaska-Yukon Refiners and Distributors Limited of a refinery at Haines, Alaska, is proposed to serve the Yukon through the proposed pipe line to the Canol System, if the latter is available.

The thoughts of most of us about the north, as it is usually called, seem to date from the time of the Gold Rush, when gold was found in great quantities up there. But prior explorations were made by the Vikings as long ago as A.D. 1004. Centuries later, in 1576-78, Frobisher made three voyages in search of the Northwest Passage.

In that regard I would like to add something by way of a boost for the province from which I come. Some years ago a vessel named the *St. Roch* was built in our province for the Royal Canadian Mounted Police, and on a voyage from Vancouver to Halifax she negotiated this Northwest Passage, which had been long sought by navigators of many nations. She was the first vessel in history to go through the passage in both directions. Not satisfied with that record, the skipper, Captain Larsen of the Royal Canadian Mounted Police, circumnavigated with this ship the northern half of the continent, going from Alaska and down through the Panama Canal. This is the only ship which has sailed completely around North America. I might add that she is to be converted into a museum piece and located at Vancouver.

Many years before the memorable voyage of the *St. Roch* Mackenzie made the first trip to the west coast, by land. In those days travel was hard and difficult; and very little was done about mapping the north until the aeroplane came into its real place in the community. Now there are in that country more aeroplanes in proportion to the population than anywhere else. The whole area of the Yukon and Alaska has been completely mapped geographically and geologically.

These remarks are by way of providing a little background with respect to the territory which this pipe line is to serve. The natural resources consist of lead, zinc, copper, cobalt, uranium, and asbestos, with the gold deposits which brought the country into the forefront of mining development. In fact, of the 33 minerals and other materials classed as strategic by the United States Government, only two, namely bauxite and industrial diamonds, cannot be found in these territories. Many Canadian companies are operating in the area.

When pipe line bills were first introduced—and there was quite a rash of them two or three years ago—one of the main objections to them was that the lines would not traverse Canadian territory, or, even if they did, that the companies were being financed by American principals. I might say that the group which is starting this refinery at Haines, Alaska, is a Canadian company operating in the United States. It has no shares for sale in the United States; all are being sold in Canada, and the people who constitute the company, management and shareholders, are Canadians. So we have here a reversal of the tendency of the oil industry to be controlled in Canada by citizens of the United States. The main line of the company is in Canada. But it cannot continue through Canadian territory to seaboard because of the Panhandle of Alaska. A gentleman who was a member of this chamber when I first came here—I refer to Sir Allen Aylesworth—sat on the commission which dealt with the boundary question and refused to sign the treaty by which the Panhandle was allotted to the United States. As the line is drawn, hundreds of miles of northern British Columbia are flanked by a strip down the coast line, so that materials consigned to the seaboard must go through American territory. That is the position in which this company is placed: to get directly to seaboard they must use a port in Alaska.

There was some suggestion that the refinery should have been built at White Horse, in Canada; but refineries located at seaboard have a great advantage over others, in that their situation provides them with an open field for the purchase of their raw products. It was therefore decided that the refinery should be at the seaboard, and it will be established at Haines, Alaska. There will be a pipe line from that place to carry the products to White Horse. The Alaskan business is necessary in order to make the refinery an economic unit, for the population of Alaska is much greater than that of the Yukon Territory. Anchorage, the largest city in Alaska, has a population of approximately 110,000, of whom 75,000 are civilians and 35,000 army personnel. The largest city on our side of the line is White Horse, with a population of approximately 10,000. There are other sizable cities in Alaska, one of them being Fairbanks, and all northern cities are expanding so rapidly that there is a real need of fuel. The freight situation with respect to Alaska is very difficult, and the rates are very high. So this company is convinced that a great field exists for the development of the petroleum industry, the more so as there are no other refineries in that area.

This bill, except in so far as the territory involved is concerned, follows the same pattern as other pipe line bills. There has been much discussion about the undesirability of granting wide-open charters by which promoters can build pipe lines anywhere in the country. In Canada this pipe line is restricted to the Yukon Territory and a limited area of British Columbia; that is, to the district covered by the company's present plans, which it is in active process of developing. As part of the scheme, and in conjunction with the pipe line, marine terminals are being constructed. So this is not a promotion of someone who wants to get a charter and then peddle it around or try to find someone else to do the development work; it is an actual business proposition. Those connected with it have gone into it very carefully and are prepared to proceed with it immediately.

If this bill receives second reading, I shall move that it be referred to the Standing Committee on Transport and Communications, where further information, if required, will be available. Honourable senators will then be able to ask questions about the bill from persons who know more about it than I do. I received my information second-hand—

Hon. Mr. Euler: You have done all right.

Hon. Mr. McKeen:—and I am afraid I could not answer all the questions that might be asked about this legislation. However, if honourable senators wish further information today I will try to furnish it.

Hon. Mr. Horner: Is the pipe line being extended as far east as Watson Lake?

Hon. Mr. McKeen: The products from the refinery will be distributed to Watson Lake.

Hon. Mr. Horner: What is the present population of Watson Lake?

Hon. Mr. McKeen: I am not sure, but I know it is considerably less than that of White Horse. I imagine it would be about 1,000.

Hon. Mr. Turgeon: Yes, I believe it is around 1,000.

Hon. Mr. Reid: I take it that most of the pipe line will be in Canada, although some of it will be in United States territory. Has the company obtained any rights with respect to placing lines in United States territory or will it later require such rights?

Hon. Mr. McKeen: The Canadian company is working in conjunction with an American company which will have to build the American pipe line from the boundary into Haines, and that line will connect with the one in

Canada. I may say that, subject to the provisions of general legislation relating to pipe lines, the company may construct a line outside of Canada.

Hon. Mr. Baird: How many miles would that cover?

Hon. Mr. McKeen: I am not sure.

Hon. Mr. Reid: Will the American and Canadian companies control the refinery?

Hon. Mr. McKeen: The Canadian company will build and own the refinery.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. McKeen, the bill was referred to the Standing Committee on Transport and Communications.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 90 to 114, which were presented on January 30.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

PETITION WITHDRAWN—REFUND OF FEES

The Senate proceeded to consideration of report No. 115, which was presented on January 30.

Hon. Mr. Roebuck moved that the report be adopted.

The motion was agreed to, on division.

BILLS—SECOND READINGS

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

Bill S-1, an Act for the relief of Dudley Nurse.

Bill T-1, an Act for the relief of Aldo Ermacora.

Bill U-1, an Act for the relief of Anastazia Suchodolska Matiosaitis.

Bill V-1, an Act for the relief of Joan Simonne Ghent Brooks.

Bill W-1, an Act for the relief of Philip Tamborino.

Bill X-1, an Act for the relief of Muriel Martha Margaret Wilkins St. James.

Bill Y-1, an Act for the relief of Boris Varvariuk.

Bill Z-1, an Act for the relief of Stefania Stella Rosiu Nahorniak.

Bill A-2, an Act for the relief of Douglas Pinkney.

Bill B-2, an Act for the relief of Doris Amelia Carter Nicolle.

Bill C-2, an Act for the relief of Aldona Dodon Kulczycki.

Bill D-2, an Act for the relief of Elizabeth Catherine Baggott Allarie.

Bill E-2, an Act for the relief of Edwin Alfred Le Corney.

Bill F-2, an Act for the relief of Margaret Mary Ellen Morninge Hartwell.

Bill G-2, an Act for the relief of Charlotte Ellis Elkin.

Bill H-2, an Act for the relief of Shirley Anne Julian Boyd.

Bill I-2, an Act for the relief of Georgette Paquette Senecal.

Bill J-2, an Act for the relief of Pierrette Beaudry Dennis.

Bill K-2, an Act for the relief of Catherine Phyllis Reid MacDonald.

Bill L-2, an Act for the relief of Grace Alice Williams Jones.

Bill M-2, an Act for the relief of Olga Helen Descyca Eckford.

Bill N-2, an Act for the relief of Patricia Mary Shewan Chalmers.

Bill O-2, an Act for the relief of Edith Beryl Jewett Gagnon.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

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

THE SENATE

Tuesday, February 5, 1957

The Senate met at 8 p.m., the Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

APPROPRIATION BILL NO. 1

FIRST READING

A message was received from the House of Commons with Bill 25, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1957.

The bill was read the first time.

SECOND READING

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

Hon. W. Ross Macdonald: Honourable senators, with leave I would move the second reading of the bill now.

Hon. Senators: Agreed.

Hon. Mr. Macdonald: Then I move the second reading. The bill, which is called Appropriation Bill No. 1, 1957, provides for payment out of the consolidated revenue fund of the sum of \$23,270,000. The details of the bill appear as a schedule thereto. I will mention the various items and explain them briefly.

The first item is for the Department of Agriculture, Vote No. 538, for freight assistance on western feed grain, \$2 million. This deficit is entirely due to the fact that the volume of grain moved up to the end of December, 1956, exceeded the average of recent years by about 270,000 tons. This is the only reason for the shortage in the vote which was passed by Parliament last year.

Hon. Mr. Crerar: What was the total amount paid on freight assistance?

Hon. Mr. Macdonald: The total amount of funds available from April 1, 1956, together with the amount voted for 1956-57, was \$16,046,000.

I have a statement here showing the position of the vote at December 31, 1956, which I shall be pleased to put on *Hansard* if I have the consent of the house.

Hon. Senators: Agreed.

The statement is as follows:

TOTAL TONNAGE ON WHICH FREIGHT ASSISTANCE HAS BEEN PAID AND THE AMOUNT OF MONEY PAID IN CLAIMS FROM OCTOBER 1941 TO DECEMBER 31, 1956

	Total tons	Total amount of money	Average rate per ton over this period
	No.	\$ cts.	\$ cts.
Ontario.....	16,472,060	80,988,140.24	4.92
Quebec.....	15,707,220	102,441,328.35	6.52
New Brunswick.....	1,697,928	15,578,590.45	9.17
Nova Scotia.....	2,141,162	21,769,082.05	10.17
Prince Edward Island.....	552,313	5,549,141.65	10.05
British Columbia.....	3,606,710	25,286,024.45	7.00
Newfoundland.....	127,704	2,656,029.11	20.78
Grand totals for the period.....	40,305,097	254,268,336.30	6.31

POSITION OF VOTE AT DECEMBER 31, 1956

Funds available April 1, 1956—		
Balance from 1955-56 Vote.....	\$ 546,000	
Voted for 1956-57.....	15,500,000	\$ 16,046,000
Expenditures April 1 to December 31, 1956.....		13,188,000
Balance available at January 1, 1957.....		\$ 2,858,000
Average monthly expenditures, April to December—\$1,465,000		
Estimated expenditures in remaining months—		
January.....	\$ 1,600,000	
February.....	1,400,000	
March.....	1,600,000	
April.....	258,000	
		4,858,000
Less balance available January 1.....		2,858,000
Estimated shortage in Vote.....		\$ 2,000,000

Hon. Mr. Crerar: Are we going to discuss each item as we go along?

Hon. Mr. Macdonald: It might be as well if I explained each item briefly, and then we could discuss any or all of the items when I have concluded.

The next is Vote No. 539, for the Immigration Branch of the Department of Citizenship and Immigration, and the amount is \$9 million. This item provides for advances to the Inter-governmental Committee for European Migration for the cost of transportation and other assistance with respect to Hungarian refugees coming to Canada, and to the provinces for the cost of caring for such refugees. Honourable senators will recall that we approved in principle the suggestion that we should welcome to Canada as many of these valiant people as possible. The increase in the number of immigrants from Hungary necessitates this vote.

Vote No. 540, for the Department of Finance, is a result of the increased allowance to municipalities for taxation on Government property. Honourable senators will recall that in 1955 Parliament widened the scope in which payments are made to municipalities in lieu of taxes on Government-owned properties in municipalities. However, in the appropriation bills passed last year consideration was not given to the fact that the Government rents a number of properties on which it pays taxes, and it is now necessary to increase the grants to certain municipalities by \$2,024,000.

Hon. Mr. Aseltine: Would the honourable Leader of the Government be good enough to give us the breakdown of payments to those municipalities, which according to the bill are Winnipeg, St. James, Edmonton and Vancouver?

Hon. Mr. Macdonald: With my honourable friend's permission, may I put that information on the record?

Hon. Mr. Aseltine: I should like to have a brief explanation as well.

Hon. Mr. Macdonald: The information I have at hand is as follows:

Ottawa, Ont.	\$650,000
North York, Ont.	150,000
Hull, Quebec	250,000
Halifax, N.S.	150,000
Special authority with respect to Winnipeg, St. James, Edmonton and Vancouver where certain federal prop- erties are on leased lands	197,000
Calgary	50,000
Various other centres in smaller amounts	577,000
	\$2,024,000

Hon. Mr. Quinn: Is that amount of \$150,000 authorized for the city of Halifax or for the municipality of Halifax?

Hon. Mr. Macdonald: I should think it would be for the city of Halifax.

Vote No. 541, also for the Department of Finance, makes further provision for university grants. Honourable senators will recall that from 1950 onwards the federal Government has given aid to universities by way of grants at the rate of 50 cents per capita of the total provincial population. This vote will increase the grant to \$1 per capita of the provincial population and will put it on an annual basis. It will be observed that the bill provides that the amount appropriated under Vote 132 of Appropriation Act No. 6 of last year is to be applied to the purposes of this vote. The total amount of this vote is \$7,986,000.

The next item in the bill, Vote No. 542, for the Department of National Health and Welfare, would cover immigration medical

services in the amount of \$225,000. This sum is required in connection with the services rendered to immigrants from Hungary, and of course was not contemplated when the vote under this heading was passed last year. The increase is due entirely to extended services to these immigrants.

The next vote, honourable senators, No. 543, is for the Department of Transport, railway and steamship services, and is in connection with the construction of the auto-ferry which is to ply between Wood Islands, Prince Edward Island, and Caribou, Nova Scotia. The increased appropriation is required because the construction of the ferry is going forward more rapidly than was anticipated, and as a result payments which were expected to be made next year will be made this year.

The next item, No. 544, for the Department of Veterans Affairs, is in connection with the construction of a hospital at Deer Lodge, Winnipeg.

As in the case of the previous vote, construction is taking place at a faster rate than was contemplated and as a result payments which were expected to be made after the end of the fiscal year are being made during this fiscal year. The total vote is not being increased.

The last vote, No. 545, covers a loan to the United Nations Organization to help finance the clearing of the Suez Canal. Honourable senators recall that the canal was blocked last year, and it is now necessary to have the canal cleared so that shipping can pass through. That work is being done with the approval of Canada and other nations.

Hon. Mr. Roebuck: Why doesn't Egypt pay for it? It is her canal, and she blocked it.

Hon. Mr. Macdonald: Canada agreed with other nations that the canal should be cleared as soon as possible. The question of who is going to pay for it has not been determined. Let me assure honourable senators of that.

Hon. Mr. Horner: Who is going to be able to use the canal? There is no assurance that Canadian ships will be allowed to pass through the canal unless Nasser likes the clothes the sailors are wearing.

Hon. Mr. Macdonald: As far as our country is concerned, and I think as far as Parliament is concerned, we are anxious to do all in our power to see that this canal will be open to use by ships of all the nations of the world. That is the stand which your Government is taking and I know you will back up the Government in that respect.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: In the meantime the canal has to be cleared. Of course, we could discuss now with the nations of the world all these questions as to who is going to pay for the clearing, when it is to be done, who is to have the use of it, and so on, but discussions of that nature might go on for months. We feel that it is better, and I think honourable senators will agree, to get the canal cleared.

Hon. Mr. Horner: The canal is being cleared at the present time at a rapid rate, according to reports. Who is taking care of the payments now?

Hon. Mr. Macdonald: The honourable senator from Blaine Lake (Hon. Mr. Horner) says the canal is now being cleared, and he is right. The expense has to be met, and it is being met now by the United Nations. But the United Nations has no funds with which to pay for the clearing of this canal, so it has asked a number of countries to advance \$10 million towards the cost of the work. In the meantime an attempt is being made to conclude arrangements which will be satisfactory and will enable the ships of all countries to use the canal. The cost of clearing the canal will greatly exceed \$10 million; it is anticipated that between \$30 million and \$40 million will be needed for this purpose.

Hon. Mr. Pouliot: Would it not be possible to spend that money on the St. Lawrence Seaway, as the United Nations' contribution to that great project?

Hon. Mr. Macdonald: The seaway is not yet opened; and I would think that the United States and Canada would prefer to have our two countries build the canal. We shall then invite all the world to send its ships here to do business with us.

Hon. Mr. Reid: Has the honourable Leader of the Government (Hon. Mr. Macdonald) any information as to what countries have been appealed to by the United Nations to contribute to this expenditure, and how much they have provided? I think we are entitled to know at least what amounts other countries are paying.

Hon. Mr. Macdonald: I am very pleased to give the Senate such information as is available, and I believe I have all there is. As I stated, Canada has been asked to advance \$1 million as a temporary loan. It is not a contribution, and I do not think the word "contribution" should be used in this connection; it is a loan to enable the United Nations to get on with the work of clearing the canal. The United States has made a loan of \$5 million, and other nations which

are advancing money on the same basis include Australia, Norway, Sweden, Denmark, the Netherlands, West Germany and Italy. It is estimated that the total sum put up by these countries will be \$10 million.

Hon. Mr. Reid: What about France?

Hon. Mr. Macdonald: Neither France nor Great Britain has been asked to lend any money at this time. It has not been deemed advisable that they should be.

Hon. Mr. Aseltine: All the amounts the honourable senator has referred to are loans?

Hon. Mr. Macdonald: Yes.

Hon. Mr. Aseltine: Is it expected that the money will ever be repaid?

Hon. Mr. Macdonald: Yes, we have every expectation that it will be paid back. We do not know at this time how repayment will be provided for. It is possible that the money for this purpose will be raised by charges on the ships that use the canal when it has been cleared. That is one proposal. Another is that all states which are members of the United Nations organization shall contribute towards the clearing of the canal. If that idea is accepted and our share of the contribution is fixed at less than \$1 million, the difference will be paid to us. But I repeat that the item under consideration is not a gift, but a loan which must be accounted for.

Hon. Mr. Horner: Is it not a fact that Great Britain and France offered to clear the canal?

Hon. Mr. Macdonald: Whether they would have cleared the canal solely at their own expense I do not know.

Hon. Mr. Horner: They have the equipment.

Hon. Mr. Macdonald: They have the equipment, and some of it is being used at the canal. But even if the work had been assigned to France and Great Britain, those countries, I suppose, would have expected to be paid for it. The United Nations organization, including our own delegates, thought that the present arrangement was preferable, and Canada approved it. May I say I think the Senate is very happy to know that at this crucial time the honourable senator from Toronto-Spadina (Hon. Mr. Croll), who was in his seat a few minutes ago, is one of Canada's representatives at the United Nations.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: I am only sorry that he is not now in the chamber so that we could tell him how glad we are that he is taking such an interest in the work of the United Nations.

Hon. Mr. Pouliot: We miss him here when he is there.

Hon. Mr. Macdonald: I do not know whether honourable senators require any further information with respect to this last item. I reiterate that it is a loan to the United Nations to enable it to get on with the job of clearance while we continue to work out arrangements for the use of the canal by all ships which desire to use it.

Hon. Mr. Bouffard: Can the honourable Leader of the Government say what is the basis of the respective contributions? For example, why should the United States pay \$5 million and Canada \$1 million?

Hon. Mr. Macdonald: I cannot say how these various amounts were arrived at. Certain nations were asked to lend sums of money to enable the work to go on. It was known that \$10 million would be needed fairly soon. The United States' representatives undertook to put up \$5 million, and Canada's representatives were authorized to promise \$1 million. Canadians have taken a great interest in the crisis which centred in the canal, and I think it is generally agreed that our representatives have played a very creditable part in this connection. There is of course no relation between the amounts promised by Canada and the United States for this work and the assessments that are levied upon them in connection with the total expenditure of the United Nations organization.

Hon. Mr. Roebuck: Does the honourable Leader of the Government know how the other \$30 million will be provided?

Hon. Mr. Macdonald: We do not know yet.

Hon. Mr. McIntyre: Is there any assurance that, after the canal has been cleared of the obstructions through the contributions made by the United States, Canada and other countries, it will not be blocked again?

Hon. Mr. Macdonald: I cannot give definite assurance to that effect, but, in view of the manner in which our representatives have handled various crises which have arisen in the last six months, one may express the hope that they can be relied upon to do their part in bringing the representatives of the nations together in an effort to avoid the recurrence of a disaster such as happened last fall.

Hon. John T. Haig: Honourable senators, there are certain items in this bill with which I am sure the house can agree, but there are others with which I do not think we should agree at all. I propose to go over the items and point out my objections where they exist.

The first vote is for "Freight assistance on western feed grains". There has been a lot of discussion about this item through the years. What it amounts to is this. Farmers in Ontario, Quebec and the Maritime provinces receive assistance on transportation costs on grain from western Canada to the east. Western farmers feed and fatten their cattle and then pay freight on that fat, so to speak, when the cattle are shipped to be sold in competition with eastern-bred cattle. Western farmers have always raised an objection to this. I never thought that granting freight assistance on feed grains is the way to solve the problem. I have always felt that western farmers should get an allowance on freight rates similar to the allowance eastern farmers get in freight assistance on feed grains. This is not a really serious matter, but it is always one of contention whenever the item is brought up.

The next item in the schedule of the bill is with respect to citizenship and immigration. The vote provides financial assistance for Hungarian refugees coming to Canada, and I have no criticism at all to make of it. I am in favour of what the Government has done. Mistakes may have been made in the matter of detail, as there always is in this kind of thing, but by and large Canada has done a service for humanity that will not soon be forgotten throughout the world. What is more important, it will not soon be forgotten in our own hearts that we did the right thing at the right time. I am wholeheartedly behind the Government's scheme of bringing these Hungarian refugees to Canada. It may even be that we are rescuing some of them from being murdered in their homeland.

The next item in the schedule comes under the heading "Payments to municipalities". I do not know how the various grants to the municipalities in lieu of taxes on federal properties are arrived at. I notice that the total grant to the municipalities of Winnipeg, St. James, Edmonton and Vancouver amount to \$197,000, and yet the municipality of Halifax alone is to get \$150,000.

Hon. Mr. Quinn: We have more federal property than the municipalities to which my honourable leader (Hon. Mr. Haig) has referred.

Hon. Mr. Haig: Not on your life!

Hon. Mr. Quinn: You would be surprised.

Hon. Mr. Haig: We have many Government buildings in Winnipeg. The new post office alone is to cost about \$15 million. I do not think Halifax has any Government property of that value. I maintain that taxes on all federal properties in Canada, excluding the Parliament Buildings, should be

on the same basis as the tax paid on ordinary public buildings. Government properties are of course, used for federal purposes, but such Government departments as Income Tax, Customs, and Post Office are revenue-producing businesses and an equitable tax should be paid on them in every province. I was hoping that this year the Appropriation Bill would place these federal properties in that category.

The next item has to do with university grants. Some of my friends at home say that my speeches in the Senate are a little too flattering to the Government. They say that I do not criticize the Government enough, that I am not bitter enough, that I have lost all my ability to make a high-powered attack like I used to make in the Manitoba Legislature. Perhaps I should practise in the basement of the Parliament Buildings and really go after the Government. Be that as it may, I feel that the best thing this Government has done since I entered Parliament is to authorize payments for making grants to our Canadian universities.

Hon. Senators: Hear, hear.

Hon. Mr. Haig: It is a wonderful scheme. I want to be pardoned for going into this in detail but if there is one subject that I know anything about it is this. The university of Manitoba was formed by four colleges—St. John's Anglican; Manitoba College, Presbyterian; Wesley College, Methodist; and St. Boniface College, Roman Catholic. These four colleges are still part of the university.

Hon. Mr. Aseltine: What about Brandon?

Hon. Mr. Haig: Brandon was not part of it originally. I have named the four organizers.

Hon. Mr. Aseltine: You are leaving out the Baptists.

Hon. Mr. Haig: My honourable friend comes from Rosetown and he thinks it is a university centre, but it is a long way off. As far as I know, the University of Manitoba is the only instance in the British Commonwealth in which four denominations joined together to form an institute of higher learning. It grew to a state university with the consent of the people who founded it. The Roman Catholic, Presbyterian, Methodist and Anglican clergy all work together in wonderful harmony. We now have a military college, an engineering institution and many other branches of learning at the university, and the feeling between the university and the colleges has been excellent all through the years.

Salaries of professors in our universities are low. Increases in salaries for other occupations have given rise to the question whether salaries of professors should not be commensurate with the work they do. Men and women in this chamber who are graduates of universities know that something more is derived from study at a university than is in the textbooks. Something is imparted by the teacher that stays with the student for the remainder of his life, and sometimes it is stronger than the counselling of his father and mother. I have always felt happy to know that fine men and women are teaching in our university and colleges in Manitoba. We have now reached the stage where it is difficult to pay our professors and teachers salaries commensurate with the service the public receives. The university recently divided the sum of \$400,000 among students in residence at the various colleges; the distribution was fair, and not a single complaint was raised. I can speak with some authority, because at one of the colleges, of which I am chairman of the Board of Regents, we have seven or eight hundred students in seven- or eight-degree work.

Hon. Mr. Aseltine: How much did your college receive?

Hon. Mr. Haig: \$56,000 last year. That money was largely devoted to increasing the salaries of professors, and setting aside a sum of money for annuities for superannuation. That is a splendid way in which to use the money.

Honourable senators, if these proposed grants are made, I can promise you on behalf of the college I have the honour to represent—and I am sure I can speak of all other colleges as well—that a large part of the money, if not all of it, will be devoted to the same purpose. The men and women on the staffs of St. John's, St. Boniface, and others, are highly capable and deserve support. On behalf of the people of Manitoba and of western Canada in general I wish to thank the Government and the people of Canada for these grants, because they are making a real contribution to the education of the young men and women of our country.

I have read in the papers lately that there are not so many boys taking up engineering and the practical sciences here as in Russia. But I have learned that in Russia those subjects make up the complete curriculum, and that the humanities are not included.

Honourable senators, I heartily support this vote to authorize grants to the universities, and if the present Government goes out of office, I hope the party which takes over will develop this policy along the right line. I

am not a bit afraid that if grants are made in Manitoba the federal Government will control the province.

The honourable leader has told us that the next item, Vote No. 542, for the Department of National Health and Welfare, has to do with the immigration of people from Hungary. I have no doubt that vote is necessary, and I hope the money will be properly spent.

The next item, Vote No. 543, for the Transport Department, is a contribution toward the Maritime provinces, and I presume that will be well spent.

I want to mention a subject on which my honourable friend from Bedford-Halifax (Hon. Mr. Isnor) spoke the other day. In Manitoba very few students come from other provinces. I believe that also applies to Saskatchewan and Alberta, and presumably British Columbia. The Maritime provinces, especially Nova Scotia, are noted for their educational institutions, and there is a tendency for students from other provinces to attend their institutions of learning. No recognition is given to such students by way of increased grants, because the grants are determined by the populations of the various provinces. Formerly Saskatchewan, with a population of one million, received \$500,000; it will now receive \$1 million. Similarly, British Columbia, with a population of a million and a half, formerly received \$750,000; it will now get \$1½ million. That is decided not on the number of university students but according to population. Some consideration ought to be given to the plea of my honourable friend from Bedford-Halifax, for the people of Nova Scotia should be assured of the same privileges in education as are the rest of the people of Canada.

I come now to the last item in the schedule, Vote No. 545, a loan to the United Nations Organization to help finance the clearing of the Suez Canal. Nasser of Egypt, and his people, filled the canal with boats and other obstructions, and now we are to spend our money to clear the canal. When that is done Nasser will defy us and tell us what he will or will not do, and we will give in, as we always have done. The United Nations did not make Russia back up in Hungary, nor did it make India back up in the area it took over. Now a resolution has been passed requiring Israel to make a withdrawal. Will Israel give in, and if not will the United Nations take action? I am not too sure about that.

Hon. Mr. Roebuck: I am not sure that Israel is going to give in, either.

Hon. Mr. Haig: I am not sure if anybody has the nerve to take action.

If I were in charge in Israel I would not give in, because the minute that was done Egypt would start her attack all over again. Look at the ratio of prisoners exchanged between the two countries the other day.

The United States said that Britain and France must get out of the Middle East. But now the United States is going in there with its men and money, and doing so without the consent of anybody.

I believe that you do not make a friend of any man by lending him money; indeed, you are more likely to make an enemy of him. I can understand the difficult position in which our Government is placed. But I believe it made a mistake in the first place; it should have taken a firm stand at the United Nations and insisted that if Britain and France had to leave the Middle East, then Nasser must go too, and let the U.N. take over the control and management of the Suez Canal. But Canada did not take that stand, and perhaps she is not to be wholly blamed for not doing so. But my point is that we cannot go on making deals with a man like Nasser. We cannot rely on a dictator, a man who has no intention whatever of carrying out his word or obeying the law. I understand that our Secretary of State for External Affairs has tried very hard to do something constructive, but I think he fails to realize that when we are dealing with a crook we must treat him as such and keep our powder dry. That is the situation in the world today, and believe me we are much worse off now than we were five years ago. Russia has defied us, and so has India; indeed the whole of Asia has defied us. And what progress has the United Nations made toward a solution of the present world problems? Why should it allow a little nation of 7,000 people the same voting power as that of a big country like the United States? Certainly a small nation has not as much power in foreign affairs as has United States, Russia, Britain or France.

I would say to the honourable Leader of the Government that Canada can never expect to get back a nickel of this loan. The only way we might get some return would be by lending a further \$2 million, and then we might get our first million back. If you complain to Nasser he will tell you you can jump in the ocean, and you will have very little choice. That is the situation Canada is facing today.

We must realize that the United States is a new nation in world affairs and does not understand and appreciate world problems. How can she do otherwise when her own nation is divided within itself? How could the Government of Canada establish a proper

foreign policy if the Prime Minister was a Conservative and the majority of the members in the House of Commons were Liberals? We would find that an impossible situation. President Eisenhower can only get effective support when the Senate of his country supports him.

Speaking for myself, I am thoroughly disgusted with the United Nations. Unless there is from now on a change and a rebirth of independence in that body, and unless men and women whom we send there to represent us are willing to stand up and say what they really think, I see no future for that organization. Nobody in my part of Canada thinks that Nasser can be trusted; nor does anyone think that Mr. Dulles is the leader of public opinion in the world today. Indeed, the people in my part of the country sometimes wonder why he goes off on tangents as he does. I quite admit that our own Mr. Pearson tries harder than either Mr. Nasser or Mr. Dulles to get near the truth. Yet, he does not stand up and fight for it as we sometimes think he should. Whether that is because the Government here does not want him to do so or because he himself does not choose to do so, I cannot say.

I come back to my point that we will regret making a loan in this amount to finance the clearing of the Suez Canal. To my way of thinking it will be lost money—we will never get a cent of it back. Not only will we not get it back, but we will make enemies by lending it. It will go down the drain and be lost forever.

Hon. J. W. deB. Farris: Honourable senators, I have listened with a great deal of interest to the remarks of my honourable friend the Leader of the Opposition (Hon. Mr. Haig). I am not so much concerned with what he had to say about Vote No. 541 for university grants, but I am concerned about and interested in what he had to say about Vote 545, which would provide a loan of \$1 million to the United Nations Organization, a loan which he says will never be repaid. To me, that is a small consideration.

This item reads:

Loan to the United Nations Organization to help finance the clearing of the Suez Canal, \$1 million.

What is meant by the "clearing of the Suez Canal"? If it means only the raising up of the sunken ships, enough is not being done. To me the real issue is, how is the canal to be cleared so that those nations who are entitled to use it may use it?

I think Israel's position in the Middle East is the vital issue today. She has taken her stand, and I must say I fully support her in that stand. In effect, Israel is saying: We

were created by the United Nations, of which we are one, and the peril that we have suffered has come primarily from Egypt, which in every sense of the word has broken her obligations under the treaty. Israel has taken her stand on the Gaza strip today for only one purpose, namely, her own safety. She is asking only one thing from the United Nations, that she also have the right to use the canal. From my reading of the news in the press, the United Nations has not said anything that would ensure to Israel the right to use the canal. Surely the words we read in this bill, "to help finance the clearing of the Suez Canal" in their wider sense should mean the clearing of the canal for the use of nations which are entitled to use it. I cannot see any other sense to it. Are we only going to dig up those few ships sunk by Nasser? And who is behind Nasser? Russia. To me the situation is indefensible. I am not going to oppose this vote, but unless the canal is cleared for use by all nations which are entitled to use it, what is the good of spending this money?

I cannot overlook the fact that Russia has openly defied the United Nations, and India has done the same. Indeed, country after country has defied the United Nations. The only nations which today are being put under threat of action by the United Nations are those which are disposed to submit to the pressure of the United Nations.

Sir Anthony Eden is now out of office. In my opinion what Eden did was one of the finest things that any statesman has ever done, and I want to go on record as to that. One Sunday, the first Sunday of the Suez crisis, I listened while speech after speech was made in the United Nations. I heard Cabot Lodge speak there, and alongside of him was the representative of Russia, with the blood dripping from his hands because of the things that were happening in Hungary at that time.

Now, honourable senators, I am not offering any criticism of what the Honourable Lester Pearson has done. I think he is one of the great statesmen of the world.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: I think he appreciated the realities of the situation when he frankly said how closely we were tied in to the policy of the United States. I think that was a very practical statement. Now I have heard a lot of criticism of Dulles, who I think has been very inappropriate in his expressions, but in my opinion he has never expressed anything that did not have the backing of Eisenhower, and for my part I do not think Eisenhower has played the game

with the British Empire. When we come to this question "But what could Pearson do?" we are faced with the grim possibilities as regards Russia, and the question: If we do not co-operate with the United States what is going to happen to us? Those are practical realities that we have to accept and the time has come when no party in Canada should have any disagreement with the policy of the present Government in the necessities that confront us.

I would like to know what assurance the United Nations is going to give to Israel which is being threatened with reprisals in order to drive her out of Gaza and compel her to submit to the dictates of Nasser. I cannot find any reason in God's earth why Israel is being treated in the way it is.

Some Hon. Senators: Hear, hear.

Hon. Arthur W. Roebuck: Honourable senators, I want to make just one or two remarks. I asked a question and I would like to put myself right. I am going to vote for this million dollars of course, because it is necessary in the public interest of the whole world that the canal be cleared and as rapidly as possible—and particularly is it in the interest of Great Britain that it be cleared—but at the same time I would like to know whether after we clear the canal we are going to allow Mr. Nasser to run off with the fees paid by the shipping of the world for passage through the cleared canal or if this million dollars of ours is going to be repaid out of the fees. If it is not to be repaid, then the proposal is a jug-handled proposition, it is cockeyed. If we clear the canal and then allow Nasser to take the receipts while he defies the rest of the world, and denies use of the canal to Israel, we are just being stupid.

I want to say also that I agree with my friend from Vancouver South (Hon. Mr. Farris) with regard to Israel. Israel has played a heroic hand and I hope she has the courage to stay right where she is in the Gaza strip and in the Aqaba area. She should not withdraw until she gets the guarantee she requires for her own safety and her own freedom of the seas.

Hon. John A. McDonald: Honourable senators, in view of what the honourable Leader of the Opposition (Hon. Mr. Haig) has said about Vote 538, I wish to repeat how deeply appreciative the farmers, especially those of eastern Canada, are for this freight assistance that has been given by the Administration over the years. With the present high cost of farmers' supplies and the lowering prices they receive for their finished products, this has

now become a must, and I am sure the honourable Leader of the Opposition would not wish to vote against it; for even if he is thinking only of the farmers of the Prairie provinces he must admit that this assistance is a means of providing a considerable market for lower grade grains from the west.

Also, honourable senators, I would ask the Leader of the Opposition if he would join with some of us on this university grants question in urging that the funds be distributed a little more fairly. Would he agree to the suggestion that has been made by some of us to the effect that these grants should be paid on the basis of the number of university students in a province rather than on the basis of the overall population of that province?

Hon. Mr. Haig: If, for example, a student at Dalhousie University comes from Prince Edward Island, part of the Prince Edward Island grant should be paid to the province of Nova Scotia. Under the present plan, if all the university students from Prince Edward Island were studying at universities in other provinces, Prince Edward Island would still be paid its full grant, although it would have no students to whom to pay it. What, then, would Prince Edward Island do with the money? I suppose it would keep it. My thought is that the Government, instead of paying the money to the province from which the student comes, should pay it to the province in which he is studying. I see no objection to an arrangement of that nature.

Hon. T. A. Crerar: Honourable senators, I have a word or two to say before the debate is closed.

On this first item of an additional \$2 million required for freight assistance, I am bound to say that I find myself in sympathy with the honourable Leader of the Opposition (Hon. Mr. Haig) and differing somewhat from the honourable senator from King's (Hon. Mr. McDonald).

It is worth while to look for a moment at the history of this business of freight assistance. It commenced during the war, and for a very specific purpose. The need of producing food, particularly meats, acquired very great importance at that time, and in order to stimulate pig production, particularly in Ontario and Quebec, this policy of assisting in the payment of freight on feeding grains—not from western Canada, as the honourable Leader of the Opposition stated, but from Fort William east—was adopted. It was never intended to be anything other than a war measure. It had not happened before. Prior to the adoption of this policy for war purposes, the farmers of Quebec,

Nova Scotia and Ontario bought their grain on the market and paid the freight on it. The objection to the policy was stated by the Leader of the Opposition. What is the basis today of cattle prices in Canada? It is based mainly on the Montreal and Toronto price; and for the greater part of the time this is true as regards hogs also. If the Government had a policy to pay the freight on the finished product, on the processed carcasses of cattle and hogs to eastern Canada from Fort William, the western farmers would be on a parity and a fair basis with eastern Canada. But that is not the case. What happens is that eastern farmers buy their grain at a reduced price because of this freight assistance, which by the way—make no mistake about it—the western farmer through his taxes helps to pay; and then this same western farmer has to compete with easterners in these livestock markets. I do not think that is fair.

It may be within the memory of honourable senators that when the war was over the continuation of this policy was advocated and sought to be justified on the ground that we were still in the aftermath of war, that conditions were upset and disorganized. But the arrangement has continued; it has been renewed year after year, and it appears now to be a permanent policy. All I have to say is that it is distinct discrimination against the producers of livestock in the prairie provinces. No successful argument can be made against that statement. If it is intended to equalize matters, freight should be paid on slaughtered cattle and hogs shipped to markets in eastern Canada. But were we from the west to put up a proposition of that kind it would not get very far. This vote exemplifies one of the things that we get embedded in our way of doing business; and there is nothing so difficult to remove as something which, having no terminable date, becomes a vested right or a vested privilege.

The honourable Leader of the Government (Hon. Mr. Macdonald) stated that this year the taxpayers have paid over \$16 million in freight assistance. I would respectfully suggest to him that the Government could cut its budget of expenditures—and heaven knows it is necessary—by removing this item from next year's estimates and putting us back where we in this country were before this policy was adopted—let me repeat, purely as a war measure.

I have not much else to say concerning these items. There has been some discussion on the final vote in this bill, a loan of \$1 million to help clear the Suez Canal. Personally my attitude is that the vote should

pass. The honourable Leader of the Opposition may not be so far wide of the mark in his statement that we may never recover this sum. But even if that were so, I would support this vote, and I would do it for this reason: so long as the canal is blocked the economies of western Europe—of Britain, France, Italy and all our NATO allies there—are gravely endangered.

It may be asked, what guarantee have we that after the canal is cleared the western powers will be able to use it and so greatly reduce the freight costs on their oil requirements. My answer would be, at the moment we have no guarantee. I am not in sympathy—and in that respect I share in considerable measure the views of the honourable senator from Vancouver South (Hon. Mr. Farris)—with the whole manner in which this business has been handled from the first. But that is water over the dam. We have to deal with the situation as it exists at present. The United Nations, supported, I am bound to say, by the United States, has put too high a premium on the sovereignty of Egypt. If that policy holds, then unquestionably Egypt will be able to say what ships shall go through the canal and what ships shall not, and Egypt will set the toll on the ships that use the canal. In my judgment the only way in which this loan can conceivably be repaid is by putting a charge over a period of years on the tonnage that goes through the canal once it has been reopened. Has Egypt got a veto power with respect to that? We do not know, and that is why I say that I would support this vote in the hope that conditions will change and that in the end Egypt, if necessary, will be told what it has to do in reasonable respect for the other nations of the world.

I am aware of the troubles that exist. Russia is in the Near East today, getting ever more firm a foothold established in that vital area. I do not know what will come from the recent action of the United States, but I do say that if that country had taken such action twelve months or even six months ago, this whole problem would probably not have arisen. I make that statement in full recognition of the fact that our policies must in large measure march with those of the United States. This is of supreme importance not only to ourselves but to the whole civilized world, for I fear this struggle will continue for many years to come.

May I respectfully suggest that what we need today are not recriminations over the past. We may criticize and we may point out, but it would be a good thing if we could forget these past differences and again close our ranks against this menace in the Near

East. It may be possible to get the conscience of the world to a point where Egypt can no longer play fast and loose with its treaties but will have to respect world opinion. If it does not do so, then I say in all seriousness that further measures would have to be considered.

Some Hon. Senators: Hear, hear.

Hon. Gray Turgeon: Honourable senators, when I entered the chamber this evening I did not have the slightest intention of taking part in this debate, but as the discussion has touched upon perhaps the most vital problem facing the world today I feel that I should contribute a few remarks at this time.

I am one of the most friendly of people towards Israel, but if I were an Israeli looking upon that country's future I would recommend that its Government take an entirely different action from the one it is contemplating at this moment.

Canadians must realize several things. One is the fact that the Honourable Mr. Pearson, our Secretary of State for External Affairs, acting in large measure for the people of Canada through the Canadian Government, is trying to settle at the United Nations one of the most momentous problems confronting the world. He is attempting to have the United Nations operate on a basis that it should have been operating on for years. If anything should go wrong with the question now under discussion, then anything at all might happen to the United Nations Organization.

We must examine the whole matter relating to the Suez Canal and the dispute between Israel and Egypt. We must not forget that because of Egypt and other Arab countries, Israel has been deprived of shipping facilities, particularly through the Suez Canal. Vote 545 of the schedule authorizes a loan to help finance the clearing of the Suez Canal from obstructions placed there during the last four or five months. In itself this does not affect the dispute between the so-called Western world—including the NATO countries and Israel—and Egypt, over the right to control traffic through the canal. The authorization of this loan would simply be a first step on our part towards reopening the canal to traffic, which is of vital importance to all European countries, whether they are satellites of Soviet communism or belong to the so-called Western group or NATO. I feel that those who consider themselves friends of Israel should adopt the attitude that that country should carry out the resolution passed by the United Nations. Israel should abandon the Gaza Strip and withdraw its forces from that area. The U.N. could not have

passed a resolution demanding the Israelis to withdraw from the Gaza Strip unless many individual members of the U.N. intended to protect Israel's position afterwards.

Hon. Mr. Farris: Have they said they would?

Hon. Mr. Turgeon: I know what is in the mind of the honourable senator from Vancouver South (Hon. Mr. Farris), but I submit that Israel should withdraw from the Gaza Strip now, and it would then be the responsibility of the United Nations to back her up. This course would also enhance Mr. Pearson's efforts to establish the United Nations on a proper basis. If Israel were to decide to withdraw from the area concerned and rely upon the United Nations to carry out that which naturally is the conception of this resolution, then Mr. Pearson, who without question is the biggest man in the world today, so far as the United Nations force is concerned, would then be in a much stronger position to deal with Egypt, Russia, or any other country that is part of the United Nations.

That is one reason why I am supporting the vote. I sincerely hope that before very long Israel will take that attitude, because there is no other way to meet the situation. As it is, the United Nations has to pay the cost of getting traffic through the canal, largely on account of Nasser's attitude, and at the same time must take a certain definite action on behalf of the world at large. The proposed action by Israel would be the best way to relieve the situation, and would put the United Nations in a position where positive and effective action could be taken.

Honourable senators, I hope this vote will pass, and that our representative at the United Nations in New York, the Honourable Mr. Pearson, will be given added strength to deal with the matter.

Hon. Austin C. Taylor: Honourable senators, it was not my intention to speak on this subject, but since the honourable Leader of the Opposition (Hon. Mr. Haig) and also the honourable member for Churchill (Hon. Mr. Crerar) made certain remarks which are not quite according to fact, I feel that I must reply.

Probably I am more familiar with the background of freight assistance than any other member of this house, because back in 1926, when I was President of the New Brunswick Farmers' and Dairymen's Association, I appeared before the Board of Railway Commissioners—now the Board of Transport Commissioners—and appealed for relief in relation to freight on feed grains to eastern Canada. I recall very distinctly at that time—and the record will bear this state-

ment out—that feeds could be shipped from western Canada to Halifax loaded on board vessels, shipped to Germany, unloaded and shipped back to Halifax for less money than it cost to buy and ship grain from western Canada to the eastern provinces. It was on that basis that I made the presentation to the board on behalf of the farmers of New Brunswick, and presentations continued to be made until 1941, when the present policy was adopted by the federal Government. The approach was made on the basis that some assistance must be given to the eastern farmer in relation to the feeds required in the east, because we could not grow them in sufficient quantities. From the time I became Minister of Agriculture, in 1935, on many occasions I attended conferences at which ministers and federal department officials met to discuss these matters, and at first the proposal was opposed by the western provinces, or at least by some of them. However, after three or four years of negotiation in an attempt by all parties to understand the problems of both east and west, an agreement was finally reached by the eastern farmers and organized agriculture in western Canada, that some assistance should be given to the eastern feeder because he was becoming, and now is, one of the best markets for the western grain farmer in the world today. It is true that the amount proposed is a considerable sum, but the western farmers are now shipping to the eastern provinces, under this freight assistance policy, from 2½ to 3½ million tons of feed per year, and that is why they support it.

I wish to point out to honourable senators that we in the east have always paid a certain portion of the cost of freight. I think the honourable senator from Churchill (Hon. Mr. Crerar) indicated that the freight assistance applied only from the head of the lakes to the east. That is quite true, but the federal Government has never paid the total cost of freight from the head of the lakes to the Maritimes or to any other part of eastern Canada. I happen to have the figures. From 1941 to 1956 the farmers of the Maritimes paid 25 cents freight on every bag of feed shipped. Since July 3, 1956 there have been two increases in freight rates; those have not been paid by the federal Government, but are being absorbed by the feeders of eastern Canada. In the Moncton area, instead of paying 25 cents we are now paying 34 cents; in Newfoundland they are paying 41.4 cents, and in or near Halifax, something like 38 cents is paid.

Honourable senators, I suggest that we not only support this policy but that we ask the federal Government to include the increase in freight rates over the basic rates

of 1953, so that the Maritime farmers can remain in the live stock business, and also so that the Maritime provinces will continue to be one of the best domestic markets. If that is done the eastern provinces, instead of buying $2\frac{1}{2}$ to $3\frac{1}{2}$ million tons of feed, may be able to buy 5 million tons per year. If freight assistance were abandoned the Maritime provinces would become an even more depressed area than now.

I hope honourable senators will support this vote. I also hope that through the efforts of both eastern and western farmers the Government will adopt freight assistance as a permanent policy in Canada, rather than as a year-to-year policy. I ask this support and co-operation on behalf of all farmers in Ontario, Quebec and the Maritimes, and I am confident that we will have the support of the farmers in western Canada. Freight assistance was not introduced merely as a war measure, but because we applied for it year after year from 1926 onward. The Government recognized that in the provinces of Ontario, Quebec and the Maritimes there was a balanced agriculture, because we grew so many head of livestock, so much grain, made so much butter and cheese, and raised so many hogs, whereas often in western Canada farming was mainly limited to grain. In order to stabilize the industry in eastern Canada, as well as the rest of Canada, a policy was adopted for a two-fold purpose: first, to assist the farmer in maintaining farm operations and to plan for the future; and, secondly, to provide a market for the coarse grains of western Canada right here in Canada.

Hon. Thomas Reid: Honourable senators, I should like to direct a question to the Leader of the Government (Hon. Mr. Macdonald). Is it his intention that the bill should receive third reading tonight? I ask that question because I intend to make some rather extended remarks with respect to Vote No. 538, freight assistance on western feed grains. Even if I had not had in mind speaking on this subject, the remarks made this evening by some senators from the prairie provinces would prompt me to raise my voice on behalf of the province of British Columbia. There is a story to be told about this freight rate assistance question, and it is one about which the Prairie provinces should not be proud.

Hon. Mr. Macdonald: I think we should hear what the senator from New Westminster has to say now.

Hon. Mr. Reid: I am waiting for certain information, which I expect will arrive later tonight or tomorrow morning. I am instructed to place this matter before the

Senate, and I may say it was not dealt with in the other house.

Hon. Mr. Macdonald: I should like to have this bill receive second reading at least tonight.

Hon. Mr. Reid: If the bill receives second reading tonight, perhaps I will have an opportunity to speak on the motion for third reading tomorrow.

Hon. Calvert C. Pratt: Honourable senators, may I take a few moments to refer to the item in this bill dealing with university grants, a matter of particular interest to my province.

The honourable senator for Kingston (Hon. Mr. Davies) gave us a few days ago a most interesting discourse on the great work the universities in Canada are doing and the need for extending university services throughout wider areas of the country. The call for specialized training which only the higher seats of learning can supply is becoming more demanding all the time. With the view expressed by my honourable friend from Kingston I entirely agree.

I think the arguments brought out here this evening that university grants should be made on the basis of so much per student enrolled at universities would have an adverse effect. I believe it would result in a greater concentration being placed on the bigger universities, and less opportunity and financial help being extended to the smaller and more widely spread institutions.

Hon. Mr. Haig: No, it would not have that effect at all.

Hon. Mr. Pratt: In my province of Newfoundland for many years we have had a university college, but our university as such was late in getting started. However, it is now doing excellent work and has a very practical structural program and a well planned extension of its work in the academic field.

Since the creation of the Memorial University of Newfoundland, as our institution is known, a much larger number of our students have taken advantage of university training than ever before. We owe a good deal to the fine service extended to us by the universities in the Maritime provinces, and also in Ontario and Quebec, to which our students from Newfoundland have gone, but the number of those who can take advantage of training in these far-off institutions is very limited. On the other hand, the student of average means can attend our university at home.

I believe the plan of setting up grants based on the provincial population is a good

one. It will more fully equalize the opportunity for university training throughout the country than would a plan based only on the enrolment at existing universities.

Hon. Cyrille Vaillancourt: Honourable senators, I have only a few remarks to make. I was surprised and almost scandalized by what the honourable Leader of the Opposition (Hon. Mr. Haig) and the honourable senator from Churchill (Hon. Mr. Crerar) said about the proposed subsidy on the shipment of western feed grains to the eastern provinces.

I have now been in this house for some years, and scarcely a session goes by that we do not debate and pass legislation to subsidize the western farmer. Sometimes we are told the subsidy is required because his crop is too large, and sometimes because it is too small; we have even been asked to grant a subsidy because the farmer was not able to harvest his grain before the snow came. In these various circumstances we have voted millions of dollars to help the farmer in the west.

Let me remind my honourable friends that before the Second World War the eastern provinces were quite able to grow and market their own grain. With the outbreak of the war the Government asked the eastern farmer to concentrate less on the growing of grains and more on the development of cattle and the production of butter, cheese and milk. By way of assistance to the eastern farmer the Government agreed to pay part of the freight on feed grains from western Canada. After the war the farmers in eastern Canada were prepared to return to their former production of grains for feed, but the Government asked them to continue to concentrate on the production of milk and other dairy products. And so today more than 60 per cent of the feed grain from western Canada is used to maintain the dairy industry in the east and thus to provide milk, butter and cheese for the west.

The honourable senator from Westmorland (Hon. Mr. Taylor) explained very clearly a few moments ago the effect of freight rates—and they seem to increase every month—as they apply to agriculture. Freight rates are now so high that it is cheaper to ship grain from Fort William to Germany and certain other places in the world and back to Canada, than it is to ship it from Fort William to Quebec city or Halifax.

I have always believed that the best market for the product of the western farmer is provided by the eastern farmer. Now that we have a committee to study land use in Canada we can of course say to the farmers in the east that their land is suitable for the growing of grain, as it was in the past. Then what

will the western farmer do with his feed grain? Certainly, he cannot feed it all. I believe that the proposal to give assistance in the payment of freight cost on western feed grains is the best policy we can adopt.

On many occasions in the past when our western friends were subsidized because of a good crop or for a poor crop, we never complained; now we hope that they will support us in the proposed assistance for eastern farmers.

Hon. J. Wesley Stambaugh: Honourable senators, I am pleased to be back in Ottawa in time to take part in this debate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Stambaugh: First, I should like to congratulate our new senator from Westmorland (Hon. Mr. Taylor) upon what he has said tonight about the subsidizing of feed grains. I agree with every word he said.

I am not speaking now as a city dweller, but as a *bona fide* farmer, as one who still grows grain, a considerable part of which is fed to cattle and hogs, and as one whose sons and neighbours carry on a similar farming operation. We in Alberta are not particularly alarmed by what this bill proposes to do by way of freight assistance on western feed grains. We realize the best market available for any of our products is the domestic market, and the eastern farmer is the best domestic market for our feed grains.

We farmers of the west, it is true, have received some apparent subsidies from time to time, and we have been pleased to have our fellows from the Maritimes back us up. Indeed, we are grateful to them for their support in that respect, and I think we should show equal generosity toward them.

Therefore, I must say I am thoroughly in favour of what the bill proposes to do. I do not begrudge the few dollars that are to be put up to maintain the domestic market we have had for western grain. About a year ago Parliament voted some \$31 million to pay for the storage of surplus wheat in Canada. That amount went entirely to the west. Nevertheless, our friends from the Maritimes voted in favour of it, and helped to pay for it, and I think we should act similarly with respect to this item.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: Honourable senators,—

The Hon. the Acting Speaker: Honourable senators, if the Leader of the Government speaks now he will close the debate on second reading of this bill.

Hon. Mr. Macdonald: My remarks at this stage will be relatively brief. However, I think I should make some reference to statements made about the proposed loan of \$1 million to the United Nations Organization to help finance the clearing of the Suez Canal. I quite agree with the honourable senator from Vancouver South (Hon. Mr. Farris) that it is a relatively small sum of money to spend if in the end we succeed in getting the canal cleared and to make it available to the ships of all nations of the world. Whether the amount is paid back or not, it is a small consideration. Unlike the Leader of the Opposition (Hon. Mr. Haig), I believe the money will be paid back. In any event, I am confident that if the cost of clearing the canal is charged against the United Nations Organization we will be given credit for this million dollars against any other payments we may have to make to it. The first step in our objective is to clear the canal, and while we are doing that we are working toward the end that it will be made available to the ships of the world.

Honourable senators, I was quite disturbed over certain remarks that were made tonight about the United States. I feel very keenly that Canada must stand together with the United States and the other free countries of the world in friendship.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: That is our only hope of salvation. We cannot fight with our friends.

Hon. Mr. Horner: We would like them to stand with us.

Hon. Mr. Macdonald: We hope they will stand with us, and we must stand with them. We must stand together. Over the years the United States has been one of our true friends. She was our ally in two world wars.

Hon. Mr. Farris: She came in pretty late.

Hon. Mr. Macdonald: She may have come in pretty late, but she came in in time to be a vital aid to us. I do not think we should disparage what the United States did in either of the great wars. We fought together and we were successful together. Let us stand together now.

President Eisenhower has been a friend to Canada and to the United Kingdom during all the years he has been in power. True, he did not agree with the action of the United Kingdom and France last November, but friends can disagree. Because he did not approve of what those countries did he cannot be accused of want of friendship toward them. Some may say that he did not do what they would have liked him to do, but I am

confident that he did what he did in friendship to the United Kingdom and to France. I believe he did what he thought he should do to help the United Kingdom and France and to maintain peace in the world. But, honourable senators, if you disagree with what he did then, and you think he should have done something different, do not think that he is unfriendly to our country. At least let us not do anything that will disturb the great friendship that binds us together.

Some remarks made here tonight were not complimentary to the United Nations Organization. Honourable senators, I think even the keenest supporters of the United Nations would admit that it is not perfect, but in my opinion it still is the organization which provides the greatest hope for peace in the world. No other organization has yet been proposed or set up to take its place. While we have the Honourable Mr. Pearson and his associates at the United Nations doing everything in their power to maintain peace in the world, let us do our part to support the organization and to maintain friendship with peaceful nations.

Hon. Mr. Aseltine: I would like to ask the honourable Leader a question. To get back to the subject of freight assistance on western feed grains, can he supply us with the total amount of freight assistance that has been given over the years? It runs, in my opinion, to something like \$200 million.

Hon. Mr. Macdonald: I will endeavour to get the information for the honourable senator.

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

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

Hon. Mr. Reid: Next sitting.

Hon. Mr. Macdonald: I understand the honourable senator from New Westminster (Hon. Mr. Reid) wishes to make some remarks on the subject of feed grains.

Hon. Mr. Reid: Yes.

The Hon. the Acting Speaker: This bill will be placed on the Order Paper for third reading at the next sitting.

DIVORCE

REPORTS OF COMMITTEES

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 123 to 141, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

He said: Honourable senators, may I place on record one of our usual interim reports on the progress of the committee as of today? It is as follows:

Petitions filed	381	
Petitions heard and recommended ...		141
Petitions heard and rejected		1
Petitions withdrawn		4
Petitions adjourned for adjudication .		5
	<hr/>	<hr/>
	381	151
Petitions pending		230

We have no less than 477 open files, by which I mean that there are notices of cases to that number. Honourable senators understand that a case is commenced by advertisement in the *Canada Gazette*; and when the number of petitions of which we have notice is added to the files the total number of open files, with which we hope to deal in some measure at this session of Parliament, is 477.

The motion was agreed to, on division.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill A-3, an Act for the relief of Lorna Charlotte Brooks McConnery.

Bill B-3, an Act for the relief of Lorna Claire Bianchi Shields.

Bill C-3, an Act for the relief of Edna Hall Powell Tannahill.

Bill D-3, an Act for the relief of Marion Ruth Bronfman Hoffer.

Bill E-3, an Act for the relief of John Fraser McLean.

Bill F-3, an Act for the relief of Rene Dauray.

Bill G-3, an Act for the relief of Clarence Ronald John Emberg.

Bill H-3, an Act for the relief of Elizabeth Joyce Cole Fraser.

Bill I-3, an Act for the relief of Joseph Rolland Forest.

Bill J-3, an Act for the relief of Bessie Holmes Saunders.

Bill K-3, an Act for the relief of Sarah Spiegel Wigdor.

Bill L-3, an Act for the relief of Joyce Western Dolan.

Bill M-3, an Act for the relief of Christina Muriel Jean Leard Kowal.

Bill N-3, an Act for the relief of Pauline Marguerite Dastous Bourgon.

Bill O-3, an Act for the relief of Marie France Jose Therese Fasbender Rousseau.

Bill P-3, an Act for the relief of Mary Klodin Freeze.

Bill Q-3, an Act for the relief of Zigurds Berzins.

Bill R-3, an Act for the relief of Tobia Betze van Lier Franken.

Bill S-3, an Act for the relief of Marthe Brais Laurence.

Bill T-3, an Act for the relief of Miriam Fridman Herszlikowicz.

Bill U-3, an Act for the relief of Cleo Joseph Ladouceur.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

THIRD READINGS

Hon. Mr. Roebuck moved the third reading of the following bills:

Bill S-1, an Act for the relief of Dudley Nurse.

Bill T-1, an Act for the relief of Aldo Ermacora.

Bill U-1, an Act for the relief of Anastazia Suchodolska Matiosaitis.

Bill V-1, an Act for the relief of Joan Simonne Ghent Brooks.

Bill W-1, an Act for the relief of Philip Tamborino.

Bill X-1, an Act for the relief of Muriel Martha Margaret Wilkins St. James.

Bill Y-1, an Act for the relief of Boris Varvariuk.

Bill Z-1, an Act for the relief of Stefania Stella Rosiu Nahorniak.

Bill A-2, an Act for the relief of Douglas Pinkney.

Bill B-2, an Act for the relief of Doris Amelia Carter Nicolle.

Bill C-2, an Act for the relief of Aldona Dodon Kulczycki.

Bill D-2, an Act for the relief of Elizabeth Catherine Baggott Allarie.

Bill E-2, an Act for the relief of Edwin Alfred Le Corney.

Bill F-2, an Act for the relief of Margaret Mary Ellen Morninge Hartwell.

Bill G-2, an Act for the relief of Charlotte Ellis Elkin.

Bill H-2, an Act for the relief of Shirley Anne Julian Boyd.

Bill I-2, an Act for the relief of Georgette Paquette Senecal.

Bill J-2, an Act for the relief of Pierrette Beaudry Dennis.

Bill K-2, an Act for the relief of Catherine Phyllis Reid MacDonald.

Bill L-2, an Act for the relief of Grace Alice Williams Jones.

Bill M-2, an Act for the relief of Olga Helen Descyca Eckford.

Bill N-2, an Act for the relief of Patricia Mary Shewan Chalmers.

Bill O-2, an Act for the relief of Edith Beryl Jewett Gagnon.

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

SENATE STATIONERY

NOTICE OF INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I would like to ask what amount of office stationery, supplies and equipment has been supplied by the Stationery Branch during each one of the last ten years (a) to the three offices of the Speaker of the Senate, the Leader of the Government in the Senate and the Leader of the Opposition in the Senate, collectively; (b) to each one of the branches of the Senate, and (c) to the other members of the Senate, collectively?

Hon. Mr. Macdonald: I will endeavour to get the information for the honourable senator from De la Durantaye (Hon. Mr. Pouliot). It may be very difficult to ascertain the amount of stationery used by the Leader of the Government. I cannot vouch for the accuracy of the information to be tabled.

Hon. Mr. Pouliot: I do not ask for the information separately, but collectively, for the three offices together—the office of the Speaker, the office of the honourable Leader of the Government, and the office of the honourable Leader of the Opposition, collectively, separating them from the stationery, supplies and equipment used by the other members of the Senate; and also I want the information as to each one of the branches. I wish to know where the money goes. I should like the Senate to have some sense of proportion and reality in matters like these, especially after big amounts such as the ones specified in Bill 25 have been voted on, and the bill has had second reading, in two hours. We are ready to spend a million dollars for the clearance of the Suez canal, but when it comes to the expenditure of the small amount of \$7,000 on supplies for the use of the Senate, including all its branches, there is great kicking about it.

Hon. Mr. Macdonald: Does the inquiry include the amount for stationery used by the Leader of the Government?

Hon. Mr. Pouliot: No. I want the honourable gentleman to understand my question. It is divided into three parts. First, I should like to know what amount has been spent for the three offices collectively,—the Speaker's office, the office of the honourable

Leader of the Government and the office of the honourable Leader of the Opposition. I exclude these from the particulars of what is being supplied to us, the other members of the Senate.

The Hon. the Acting Speaker: The honourable senator's inquiry will be placed on the Order Paper.

Hon. Mr. Pouliot: I shall be satisfied. I do not want an immediate answer.

The Hon. the Acting Speaker: There cannot be a debate on an inquiry.

Hon. Mr. Pouliot: No, sir. I am explaining my question.

Hon. Mr. Macdonald: Perhaps I should explain to the honourable senator from De la Durantaye that I did not understand his question. I now realize that it is a notice of inquiry and that it will appear on the Order Paper.

QUEBEC SAVINGS BANKS BILL

SECOND READING

Hon. C. G. Power moved the second reading of Bill Q-1, an Act to amend the Quebec Savings Banks Act.

He said: Honourable senators, this legislation is intended to cover the operations of two savings banks located in the province of Quebec. They are the Montreal City and District Savings Bank, and La Banque d'Economie de Quebec. These are banks of long standing and of great repute, known for their safe, sane and almost ultra-conservative banking policies. They are savings banks and do not carry on a commercial business. They were originally founded, I might almost say, as semi-benevolent institutions with the encouragement of Church and State for the purpose of encouraging thrift in the lower income bracket of the population.

These banks have been very successful in their operations. They must compete in certain respects for business with so-called chartered banks, insurance companies and, in some instances, with institutions known as *Caisse Populaires*. They are, however, restricted in their operations by the Quebec Savings Banks Act in that they can only make certain types of investments. It is proposed by certain amendments to clarify some of the powers which have been conferred upon them.

In passing I should like to say that I learned only today that although there is a wide distinction made between the so-called chartered banks and these two savings banks, the only really chartered banks in Canada are these two savings banks. By a strange anomaly of nomenclature they are known as savings banks, whereas the non-chartered

banks, which carry on their operations under the provisions of the Bank Act, are known by definition in the statute as chartered banks.

The first amendment repeals subsection 14 of section 47 of the act. The new subsection simply repeats what is in the existing statute, with the added provision that a copy of the statement and report submitted at the annual general meeting shall be forwarded to the minister within four weeks after the meeting.

Section 2 of the bill makes a distinction between the deposits made with these two savings banks in foreign currency, and the deposits made in Canadian currency. With respect to foreign currency it is provided that the banks shall maintain adequate reserves against liabilities payable in foreign currency. My information is that this really means that the banks must maintain a reserve equal to 100 per cent of the deposits in foreign currencies. That is to say, whenever any foreign currency is deposited with them, the practice will be for these banks either to purchase such currency or to make deposits in foreign banks.

With respect to the cash reserve to meet deposits in Canadian currency, the banks are obligated under this section 2, which is an amendment to section 55 of the act, to have these reserves in the form of notes or deposits with the Bank of Canada or of deposits with a chartered bank in Canadian currency. This species of security is really notes of cash, and the banks must maintain a reserve of not less than 5 per cent of such of their deposit liabilities as are payable in Canadian currency.

In addition to this 5 per cent they must have a reserve equal to at least 15 per cent of these deposit liabilities in the form of notes or deposits with the Bank of Canada or of deposits with a chartered bank in Canadian currency, or securities of or guaranteed by the Government of Canada or of a province.

The only thing new in section 2 is the distinction made between deposits in foreign currencies and deposits in Canadian currency.

Section 3 of the bill repeals section 59 of the act. It deals with investments these banks may make and it provides—and this is new—that they shall make investments in securities which are defined in the act as being bonds or debentures in a broad and general way, and preferred shares of a corporation, the common shares of which are listed on a recognized stock exchange, or more than one-half the common shares of which are owned by a corporation incorporated in Canada whose common shares are in turn listed on a recognized stock exchange. In other words, they could buy bonds issued

by a company more than half of whose common shares are owned by a corporation incorporated in Canada and whose stock is listed in a recognized stock exchange.

Hon. Mr. Roebuck: Does that include common shares? It says "securities".

Hon. Mr. Power: They can buy bonds or preferred shares in those corporations whose common shares are listed.

Hon. Mr. Roebuck: But it says they can buy the securities of these companies, and common shares are securities.

Hon. Mr. Power: They cannot buy the common shares. Under this section they cannot invest in the common shares of one of these companies, and they can only invest in any of the other securities of a company if its common shares are listed on the stock exchange or more than one-half of its common shares are owned by a corporation incorporated in Canada. There are other provisions, which are already in the act, to the effect that a company whose securities may be invested in must have paid in cash in each of the last five years, out of income earned, a dividend on all its outstanding capital stock, or interest in full upon all its outstanding securities, one or the other. It is further provided that the banks may not invest in such securities more than 15 per cent of their deposit liabilities.

Section 4 of the bill deals with another portion of the assets of the bank, if I may put it that way, although perhaps inaccurately, for the paid up capital and the rest account of the bank properly belong to the shareholders, so to speak, although in the long run the banks are responsible for deposits. Under this section, which is entirely new, it is proposed to give to the banks the right to invest in securities and shares of Canadian corporations, provided the aggregate book value of the investments of the bank under this section, together with the market value of the proposed investment, does not exceed 50 per cent of the paid up capital and rest account of the banks.

Section 5 amends the present provision that a loan shall not be made to any individual in excess of \$2,000. I am advised that the experience in loaning has been very good, and it is now proposed to permit the banks to make loans to individuals to an amount not exceeding \$5,000.

Section 6, which is perhaps a little more complicated, amends the present section which permits the banks to loan money on mortgage. The loans will be restricted to the lesser of 60 per cent of the value of the real or immovable property, or \$100,000. The properties on which these loans are made must be improved real or immovable resi-

dential property in Canada. The words "improved real or immovable residential property" are defined in section 6 as follows:

In this section "improved real or immovable residential property" means land or immovable property upon which there is situate a building that constitutes a permanent improvement to the property or on which there is such a building in the process of construction, if at least one-half of the floor space of the building is used, or in the case of a building in the process of construction, is to be used, for residential purposes.

So there is a considerable restriction on the power of the bank to loan money on mortgages. Under the same section the banks are authorized to lend up to 40 per cent of their deposit liabilities on these types of mortgages, including those under the National Housing Act.

Hon. Mr. Davies: May I ask the honourable member a question? If all these amendments are accepted, will the savings banks not become commercial banks?

Hon. Mr. Power: Indeed not. Unlike the chartered banks, they are specifically prohibited from lending money on warehouse receipts, goods, and merchandise, or from carrying on an ordinary commercial business.

Under a new subsection, the banks will no longer be restricted to a rate of interest of 6 per cent on all mortgage loans.

Section 7 gives some indication, perhaps, of the origins of these two banks, which have funds accumulated for the benefit of the poor in the communities in which they are established. I am not too sure what becomes of this fund in Montreal, but in Quebec City, La Banque d'Economie, formerly known as La Caisse d'Economie de Notre-Dame de Québec, has its poor fund from which every year it distributes certain sums of money to the St. Vincent de Paul Society. I think in Montreal there is a similar custom, because I note that the Montreal City and District Savings Bank has an amount of \$180,000 set aside. The securities invested on behalf of these poor funds were formerly invested with the approval of the Treasury Board, but that section seems to have been dropped, and the banks are allowed discretion as to the manner in which these moneys are to be invested.

The final section, which governs reports to the minister, is routine.

Honourable senators, if second reading is given to this bill I shall move that it be sent to the Banking and Commerce Committee, where officers of the department who are familiar with the operations of these banks will be called to give all information required.

Hon. Mr. Aseltine: May I ask the honourable senator if the bill has been approved as to form, and if so by whom?

Hon. Mr. Power: This is a Government bill.

Hon. Mr. Aseltine: Has it been approved by the department?

Hon. Mr. Power: I take it that the department approves of it. At any rate, departmental officials and inspectors of banks will be available to give information if the bill goes to committee.

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

REFERRED TO COMMITTEE

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 116 to 122, which were presented on Thursday, January 31.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

BILLS—SECOND READINGS

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

Bill P-2, an Act for the relief of Leonard Bloom.

Bill Q-2, an Act for the relief of Helen Mary McEachran Cole.

Bill R-2, an Act for the relief of Frances May Cousins Stone.

Bill S-2, an Act for the relief of Gwyneth Owen Young Douglas.

Bill T-2, an Act for the relief of Beverley Carol Wilson Barnes.

Bill U-2, an Act for the relief of Katharine Kimball Little Blake.

Bill V-2, an Act for the relief of Frances Elizabeth Lyon Rose.

Bill W-2, an Act for the relief of Sylvia Elizabeth Goodfellow Rief.

Bill X-2, an Act for the relief of Anne Griffith Brown.

Bill Y-2, an Act for the relief of Dorothy Ellen McCulloch Ritchie.

Bill Z-2, an Act for the relief of Marie Rose Elizabeth Giroux Lefrancois, otherwise known as Colette Giroux Lefrancois.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 6, 1957

The Senate met at 3 p.m., the Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

ROYAL ASSENT

NOTICE

The Hon. the Acting Speaker: Honourable senators, I have the honour to inform you that I have received the following message from the Secretary to the Governor General:

GOVERNMENT HOUSE
OTTAWA

February 4, 1957

Sir,

I have the honour to inform you that the Hon. Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber on Wednesday, the 6th February, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,

Your obedient servant,

J. F. Delaute,
Secretary to the Governor General
(Administrative)

The Honourable
The Speaker of the Senate,
Ottawa.

LAND USE

COMMITTEE QUORUM REDUCED—AUTHORITY
TO PRINT PROCEEDINGS

Hon. C. G. Power, Chairman of the Special Committee on Land Use in Canada, presented the committee's first report.

The report was read by the Clerk Assistant as follows:

The Special Committee of the Senate on Land Use in Canada make their first report, as follows:
Your committee recommend:

1. That their quorum be reduced to seven members.

2. That they be authorized to print 800 copies in English and 300 copies in French of their day to day proceedings, and that Rule 100 be suspended in relation to the said printing.

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

Hon. Mr. Power: With leave of the house, I move that the report be adopted now.

The motion was agreed to.

DIVORCE AND ANNULMENT BILLS

FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill V-3, an Act for the relief of Elizabeth Mabel Freestone Lachance.

Bill W-3, an Act for the relief of Marion Campbell Stewart.

Bill X-3, an Act for the relief of Jean MacRae Barnett.

Bill Y-3, an Act for the relief of Anita Roberge Fournier.

Bill Z-3, an Act for the relief of Louise Yvette Ruth Dumais Jacobson.

Bill A-4, an Act for the relief of Noella Jacques Primeau. (Annulment).

Bill B-4, an Act for the relief of Joan Perl Finfer Weber.

Bill C-4, an Act for the relief of Jacques Alfred LeGault.

Bill D-4, an Act for the relief of Rina Ciril Reich Nutovic.

Bill E-4, an Act for the relief of Harold Ernest Woodrow.

Bill F-4, an Act for the relief of Winnifred Matthews Forrester.

Bill G-4, an Act for the relief of Clara Price Kimmel.

Bill H-4, an Act for the relief of Margaret Nelson Sime Jackson.

Bill I-4, an Act for the relief of John Howard Burland Webb.

Bill J-4, an Act for the relief of Katharine Puobis Dynes.

Bill K-4, an Act for the relief of Edward Kotapski.

Bill L-4, an Act for the relief of Julija Rinkeviciute Strelis.

Bill M-4, an Act for the relief of Samuel Weniger.

Bill N-4, an Act for the relief of Marie-Yvette Laurette Petit Levesque.

Bill O-4, an Act for the relief of Lennard Gordon Spurrell.

Bill P-4, an Act for the relief of Marjorie Edwina Elizabeth Eke Stanley.

Bill Q-4, an Act for the relief of Joseph Jacques Robert Mackay.

Bill R-4, an Act for the relief of Sylvia Slutsky Steinhart.

Bill S-4, an Act for the relief of Margaret Frances Dearmond Bonner.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

WABANA, NEWFOUNDLAND, AIRSTRIP
NOTICE OF INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Pratt:

Have plans been prepared for the building of an airstrip at Wabana, Newfoundland, and, if so, when does the Department of Transport propose to proceed with the work?

Hon. Mr. Macdonald: I would ask that this notice stand for one week.

SENATE STATIONERY

NOTICE OF INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Pouliot:

1. What was the item in the Estimates for office stationery, supplies and equipment for the Senate during each one of the last twenty years and what is it now?

2. What was the salary of the Chief of the Senate Stationery Branch during each one of those years and what is it now?

Hon. Mr. Macdonald: I would ask that this notice stand for one week.

SUBCOMMITTEE ON STATIONERY—
NOTICE OF MOTION STANDS

On the notice of motion by Hon. Mr. Pouliot:

31st January—For a copy of each one of the annual reports of the Subcommittee on Stationery to the Committee on Internal Economy of the Senate during each one of the last twenty years.

Hon. Mr. Macdonald: I would ask that this notice also stand for one week.

APPROPRIATION BILL NO. 1
THIRD READING

Hon. W. Ross Macdonald moved the third reading of Bill 25, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1957.

Hon. Thomas Reid: Honourable senators, in rising to speak on the motion for third reading of this bill, may I say I am doing so because of the serious difficulties in which the farmers of British Columbia now find themselves. Two matters affect them adversely at present: one has to do with the cost of feed and coarse grains; and the other is that of dumping poultry, turkeys, livestock and potatoes into Canada from the United States. I intend to say something particularly on this subject later in the session, when the bill which has to do with the Wheat Board comes before us. However, after listening to the remarks of some honourable senators last

evening during the debate on the second reading of the present bill, I felt it was incumbent upon me to make a few statements on behalf of the province of British Columbia.

I was particularly surprised to hear two honourable senators from the Prairie provinces criticize the freight assistance on western feed grains shipped to the eastern provinces. The people of Canada, and particularly those of us who live in British Columbia, think the federal Government has been very good to those who live on the Prairies. We have seen the treasury make many gifts to the farmers of the three Prairie provinces. I think they should realize that if people in the far west or in central and eastern Canada get any assistance on feed grains it will help the sale of grain from the Prairie provinces. For that reason I am surprised to hear senators from the Prairies condemn this assistance.

I expected to hear the honourable Leader of the Opposition (Hon. Mr. Haig) and the honourable senator from Churchill (Hon. Mr. Crerar) say something about the preliminary report of the Gordon Commission. Perhaps they have not noted the fact that it advocates replacing the Crowsnest Pass freight rates with certain other forms of assistance. I do not intend to go further into that report this afternoon, except to say that in this respect the Gordon Commission produced nothing that we did not already know. The Rowell-Sirois Commission Report of 1940 substantiated the Crowsnest Pass rates, and the Turgeon Commission of 1950-51 made similar findings. I say the Gordon Commission did not look carefully into this question of freight assistance before making its rather general statement, and I am surprised that neither of the two senators to whom I have referred attacked the proposal to eliminate the Crowsnest Pass rates.

Considerable freight assistance on western feed grains has been given to British Columbia and the central and eastern provinces, and while I am not going to weary you with figures I think it is necessary to put on the record just what has been expended by the Government in this connection. I want to be frank, because I do not think that anything in the nature of such information should be overlooked or glossed over.

From 1941 to 1956 the federal Government had paid out on this freight assistance a total of over \$261 million. The amount of grain assisted has been almost 61 million tons. When we have the Wheat Board Bill before us I am going to suggest that it will be well to give some study to the possibility of changing the measurement of quantities of wheat from bushels to pounds

and tons, because after one looks over the process, beginning at the point where the wheat enters the elevator, one easily sees how a mix-up can occur in the many changes made from bushels to pounds. In that regard I commend to honourable senators a statement put out by the Searle Grain Company only the other day, which throws a clear light on this matter. The changes from pounds to bushels take place hour after hour and it would appear desirable to have some common denominator of quantities of grain, but perhaps that is asking too much.

The following table—which I will give in round figures—shows the benefits received by the various provinces from the \$261 million expended by the federal Government from 1941 to 1956:

Ontario	\$ 81,000,000
Quebec	102,441,000
New Brunswick	15,578,000
Nova Scotia	22,000,000
Prince Edward Island	5,549,000
British Columbia	25,286,000

That represents considerable assistance, but when one considers that nearly 61 million tons of grain were shipped, a great proportion of which might never have been moved but for the assistance, one realizes the importance of the domestic market. We are depending perhaps too much on export markets. In my opinion a great deal more should be done to encourage our own domestic market.

Hon. Senators: Hear, hear.

Hon. Mr. Reid: That is especially important when in this country we can produce beef, turkeys, chickens and pigs in ample quantities if we can get the grain or mill feed cheap enough.

May I point out to the two honourable senators who oppose this freight assistance that, in the opinion of many people in British Columbia, Government control of wheat under the Wheat Board is the biggest government monopoly this country has ever seen. When we get on to the Wheat Board Bill I am going to have some very particular things to say about it and ask that the powers of the board be looked into in the light of what we believe we suffer from in the province of British Columbia.

Hon. Mr. Power: Has the honourable senator figures of the tonnage of wheat that went to the different provinces?

Hon. Mr. Reid: I am glad the honourable gentleman reminded me of that. The tonnage received by the provinces was:

Ontario	16.5 million tons
Quebec	15.5 " "
New Brunswick	1.7 " "
Nova Scotia	2.2 " "
Prince Edward Island .....	.55 " "
British Columbia	3.6 " "

To complete the picture, I may say the average assistance per province per ton is as follows:

Ontario	\$ 4.92
Quebec	6.52
New Brunswick	9.17
Nova Scotia	10.17
Prince Edward Island	10.05
British Columbia	7.00

I thought these figures would be interesting to honourable senators.

Before I forget it, I want to compliment the honourable senator from Bruce (Hon. Mr. Stambaugh), a wheat-grower from the wheat-growing province of Alberta, upon having risen to support the provision of this assistance. I would also like to assure the honourable senator from Westmorland (Hon. Mr. Taylor) that we enjoyed his speech very much, and that he does not stand alone in the views he has expressed. I do not say it boastfully, but I also had the privilege of appearing before the Board of Transport Commissioners in 1933, and of putting the case on behalf of British Columbia not only before that body but later before the Privy Council itself, though of course to no avail. I well remember that one evening, in a debate in the other place, the late Viscount Bennett, then Leader of the Opposition, reminded our former colleague Senator Gerald Grattan McGeer that a few years earlier he received a large sum of money for appearing before the board to fight a freight rates case, and that the then member for New Westminster—myself—appeared for a small remuneration in a similar capacity, but that whereas the adverse decision in his case was four to two, in mine it was four to three. No definite results were obtained in either appeal, but Viscount Bennett's remark was a very nice way of putting it.

As I have the information here, it would be well, I think, to place on record the history of the assistance given with respect to freight on western feed grains, as well as information on the freight rates charged on grain going to British Columbia from the Prairies.

Prior to 1933 the rate per 100 pounds was 41½¢ domestic and 20¢ export from Calgary or Edmonton to Vancouver or New Westminster. In 1949 the mountain differential was removed but it did not affect feed grains, because tariff 145 was less than the new basic. This tariff had come into effect in 1933 and had reduced the old rate from 41½¢ to 36½¢ per 100 pounds for domestic feed grain and millfeed. I think I can claim some little credit for tariff 145 coming into existence, for I was spending most of my time and energy then in fighting the injustice

of freight rates. In any event, on July 1, 1951, tariff 145 was abolished.

On November 18, 1941, the freight assistance policy was instituted and continued during the war years. As a matter of fact, under this policy all freight on feed grain and millfeeds from Calgary or Edmonton to British Columbia points was paid until January 31, 1955. On February 1, 1955, this assistance was reduced to 29¢ per 100 pounds on a basis of Calgary to Vancouver. The rates I have given are from Calgary only, but the average difference between export and domestic rates on feed wheat from Alberta to Vancouver is 46¢ per 100 pounds. In other words, all grain leaving the Prairies and being shipped abroad for export is carried at the rate of 20¢ per 100 pounds, and yet we in British Columbia are now being charged 60¢ per 100 pounds. Of course, against that is the assistance being given to us by the Government.

One thing that leads many provincial representatives astray when they appear before the Board of Transport Commissioners is the misinterpretation of certain sections of the Railway Act. Here is a perfect illustration of how plain words can be misleading to ordinary citizens from all over Canada who read the act. They do not find out what many sections of the legislation mean until they appear before the board.

Incidentally, I am one of those who hold the view that the majority of the members of the board favour the case of the railways rather than that of the public. I recall when we thought that the establishment of a Public Utilities Commission in British Columbia would result in justice being carried out and that the average citizen would have a means of redress. But such was not the case, according to the decisions that have been made there in the past number of years in favour of the companies. I know it will raise the ruffles of some, but I think this accusation also applies to the Board of Transport Commissioners, which is no longer protecting the public. Let me read section 317(1) of the Railway Act and see what honourable senators think about it.

All tolls shall always under substantially similar circumstances and conditions, in respect of all traffic of the same description, and carried in or upon the like kind of cars or conveyances, passing over the same line or route, be charged equally to all persons and at the same rate, whether by weight, mileage or otherwise.

Then section 336(1), which deals with national freight rates policy reads:

It is hereby declared to be the national freight rates policy that, subject to the exceptions specified in subsection (4), every railway company shall, so far as is reasonably possible, in respect of all freight traffic of the same description, and carried

on or upon the like kind of cars or conveyances, passing over all lines or routes of the company in Canada, charge tolls to all persons at the same rate, whether by weight, mileage or otherwise.

I have with me here in the chamber two samples of wheat. I cannot pass them around, but I would like to show honourable members from the Prairie provinces what we in British Columbia are getting for \$3 per 100 pounds for No. 1 and No. 6 grade wheat. These samples come from Alberta wheat pools and are stamped and duly authenticated.

Close to where I live there is an organization known as the Surrey Co-Operative Association, comprised of some 4,000 members, which runs a \$4 million business in feed grain. It buys the grain wherever it can get it at the cheapest price, and most of it comes from the Prairie provinces. I could never understand why in a train load of wheat or feed grain the price charged is 20¢ per 100 pounds on the contents of the first car, and 60¢ per 100 pounds on the contents of the car behind. It is simply a preposterous state of affairs.

Let me illustrate what often happens. Sometimes half the contents of a loaded car, which is transporting wheat for export at a rate of 20¢ per 100 pounds, is sold back to a co-operative which is called upon to pay 60¢ per 100 pounds in freight charges. Not only are the contents of two cars being transported at different freight charges, but half the grain in one car may be earmarked for domestic purposes and the other half for export.

I appeared before the Board of Transport Commissioners in 1933—I admit that was a bad year—but I was able to place before the board certain documents showing that in British Columbia at that time we could purchase Alberta wheat in China and bring it all the way from there to the Fraser Valley at a far cheaper rate than was charged for bringing the same product from Calgary or Edmonton. What an utterly preposterous state of affairs! We have never been able to get redress, and we are still paying through the nose.

The honourable Leader of the Opposition talked about buying feed grain to fatten cattle and then selling the animals in competition with eastern-bred cattle. Well, we have just the same kind of a complaint. We find that on account of costlier feed grain in British Columbia, our cattle are sent to Alberta where they are fattened and finally slaughtered and sent back to Vancouver to be sold as beef. We could get our own beef much cheaper if we could ship the cattle when finished directly to Vancouver.

This is not a one-sided affair; and I am referring to authentic cases. It is no wonder

people get riled when they appear before the Board of Transport Commissioners and find that the apparently simple sections of the Railway Act to which I have referred are not interpreted at all as they think they should be. The board's answer is always the same: that so many years ago a certain ruling was made and there is no way to get around it. It is like a judge saying he has made a decision on a certain case and that his decision will have to stand for all time to come with respect to other cases. I thought I had a good case when I appeared before the board but in the end I was sorry that I had ever gone before it. I just wasted my time presenting the case as I did.

Honourable senators, if we do not look after the welfare of our farm population Canada could suffer serious consequences. I think it was the honourable Leader of the Opposition (Hon. Mr. Haig) who recently spoke about men leaving their farms to work elsewhere. I know that in my own province many farmhands have left farms to take up jobs where they work only five days a week, enjoying two coffee breaks each day and getting two or three weeks' holidays with pay a year. They say, "Why should we stay on the farm, where we have to work six or seven days a week at long hours with hardly any holidays?" I know of a farmer in my own district who is paying a man \$250 a month and all found to have his cows milked. If it were suggested that the price of beer or whisky should be raised there would never be a word of objection, but try to raise the price of milk and listen to the cries of protest. Yet milk is one of the basic healthful foods of life.

Honourable senators, farmers now cannot pay low wages and get men to work. I ask that the Government be serious about these things; I know something can be done about them, and therefore I make no apology in speaking on behalf of the people engaged in farming in and around my province.

I do not think I have any more to say at present. I have warned honourable senators that later on I shall speak on the Wheat Board. I hope the Leader of the Opposition (Hon. Mr. Haig) and the honourable member from Churchill (Hon. Mr. Crerar) will be present when I speak on that subject, and I shall deal with it in as speedy a manner as possible. There may be some arguments—it is time that we had a really good argument in the Senate—but I shall try to keep to the facts, and certainly shall not attempt to stir up animosity.

Hon. Senators: Hear, hear.

82719—9½

Hon. Mr. Reid: Before resuming my seat, I wish to express my appreciation for the hearing I have been accorded this afternoon.

Hon. R. B. Horner: Honourable senators, I had not intended to speak on this bill, but I want to make a few remarks in connection with the \$1 million loan to the United Nations to help in the clearing of the Suez Canal. I find it very difficult to understand people who support the policy of the Government and the action of the Secretary of State for External Affairs, the Honourable Mr. Pearson, with regard to the decision that Israel should quit a certain part of the Gaza Strip. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) favours, and even demands, that Israel's armed forces stay there and hold out. The honourable senator from Cariboo (Hon. Mr. Turgeon) hoped they would withdraw.

Honourable senators, my chief purpose in rising is to make a few remarks in connection with freight assistance on western feed grains for the eastern provinces. The honourable senator from New Westminster (Hon. Mr. Reid) mentioned that cattle from the Prairies are shipped to distant markets. That is quite logical, because the western farmer has an abundance of grain for feeding cattle. I know one farmer who shipped \$9 million worth of cattle into the United States, and was able to compete well in the market down there. There is nothing impossible or unnatural about cattle being shipped from the hills in British Columbia, where it is difficult to grow grain, to the Prairies, where feed is abundant; in fact, it is far more practicable to ship the cattle, providing water is available, than to ship the grain to the cattle. At the present time there is on the Prairies an abundance of low-grade grain that is difficult to market. During the past several years we have had heavy crops, but there have been years when hay was shipped from Montreal to the west at \$60 freight per ton. We would have done better to shoot the cattle than to pay the freight on the feed. At that time every bushel of grain grown in western Canada was needed there, and that time may come again.

Hon. Mr. Aseltine: Are you speaking of feed grain?

Hon. Mr. Horner: Feed grain, yes. Now, with regard to the subsidy, who is getting it? Let us be perfectly fair about that. In western Canada we had a ceiling of \$1.20 a bushel on the price of wheat when our neighbours to the south were getting \$3. Canadian millers were allowed to buy at a special price of 75 cents a bushel when western farmers should have received \$2.75. It has been estimated by men who know

that that arrangement alone resulted in a total donation of \$700 million or \$800 million by the western farmers to support the economy of Canada.

It will be remembered that in 1939 there was a shortage of cattle in the United States. I am sure the honourable senator from Bruce (Hon. Mr. Stambaugh) will recall that very well, because the ranchers from all over Alberta were wiring the Government and holding meetings about it. Although cattle similar to those bringing 30 cents a pound live weight in the United States were selling at only 9 cents a pound in western Alberta, we were prohibited from sending one animal across the line. We were in effect, subsidizing the rest of Canada to keep the cost of living down. There was nothing in the nature of equality about that.

As far as the Maritimes are concerned, it has been argued by two senators in this chamber that western grain is going to British Columbia to feed cattle there. We are thus deprived of that domestic market for our cattle. The east, which is a natural market for our cattle, is now subsidized with respect to western feed grain. I do not oppose the subsidy to feeders in eastern Canada, because I realize that in the west we usually have an abundance of grain, except in those seasons when we are hit by rust. At the present time we have large stocks of barley and oats, which are not selling readily on the market.

Honourable senators, self help is one of the greatest things in the world. I will suggest to the honourable senators from the Maritimes a method by which they can get western grain much cheaper than by freight assistance. They can get it by boat through Churchill, in northern Manitoba, and it will cost them much less than to ship by train with the assisted freight rate. There is any amount of feed grain within four or five hundred miles of the bay, and I may say there are no toll charges at Churchill.

Hon. Mr. Barbour: The possibility of bringing grain through Churchill has already been studied, but there have been no freight facilities to take it there.

Hon. Mr. Horner: It could be taken by freight to Churchill. The last 200 miles of rail down to Churchill Bay are perhaps the most easily maintained railroad in any part of the country. It is a gradual downward slope, and as the track is laid on either rock or permafrost formation a double load can be easily hauled down that stretch.

I have made these remarks, honourable senators, to give you some idea of what

western Canada has contributed to the welfare of the country generally.

Hon. Mr. Vaillancourt: Would my honourable friend permit a question?

Hon. Mr. Horner: Yes.

Hon. Mr. Vaillancourt: Does my friend realize that the farmers in the eastern provinces are now paying from 25 cents to 35 cents per cwt. more for their feed grain than the price on the world market? In this way, the eastern farmers are paying a subsidy to the west.

Hon. Mr. Horner: Well, that is not my fault. I would do anything I could to help you.

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

DIVORCE BILLS THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of Standing Committee on Divorce, moved the third reading of the following bills:

Bill P-2, an Act for the relief of Leonard Bloom.

Bill Q-2, an Act for the relief of Helen Mary McEachran Cole.

Bill R-2, an Act for the relief of Frances May Cousins Stone.

Bill S-2, an Act for the relief of Gwyneth Owen Young Douglas.

Bill T-2, an Act for the relief of Beverley Carol Wilson Barnes.

Bill U-2, an Act for the relief of Katharine Kimball Little Blake.

Bill V-2, an Act for the relief of Frances Elizabeth Lyon Rose.

Bill W-2, an Act for the relief of Sylvia Elizabeth Goodfellow Rief.

Bill X-2, an Act for the relief of Anne Griffith Brown.

Bill Y-2, an Act for the relief of Dorothy Ellen McCulloch Ritchie.

Bill Z-2, an Act for the relief of Marie Rose Elizabeth Giroux Lefrancois, otherwise known as Colette Giroux Lefrancois.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from Thursday, January 31, consideration of His Excellency the Governor General's Speech at the opening

of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. Calvert C. Pratt: Honourable senators, I would like to make reference to some of the matters dealt with in the Speech from the Throne, but first I would join with our colleagues who have spoken to this motion to compliment the mover and seconder on the practical and helpful manner in which they opened this debate. Unfortunately I was unable to be present when those gentlemen spoke, but I read their speeches with great interest. I wish also to extend a word of welcome to the honourable senators who have recently joined our ranks.

I am sure it will meet with general approval of all honourable senators if I express—although I am a few days late in doing so—a word of congratulations and hearty birthday greetings to our Prime Minister, the Right Honourable Mr. St. Laurent, and wish him many more years of family happiness and useful public service.

Hon. Senators: Hear, hear.

Hon. Mr. Pratt: As the Speech from the Throne indicates, the subjects we have before us this session are in two major categories, those that have to do with international affairs and those of chiefly local significance. This distinction is, of course, usual, but it stands out all the more forcibly when national tensions flare up in many parts of the world, as has been the recent experience. Major divisions among countries of the world today are fraught with terrible danger. These divisions are accentuated by difficulties recurring in areas such as the Middle East, and create situations of great alarm. These international problems can run us to the brink, if not into the abyss, of world disaster. Under the critical circumstances of the present times, they must have a priority of attention and the most loyal and undivided endeavour. I do not mean to suggest we should have any lessening of concentrated effort in matters of purely local concern; in fact, the more effort and public awareness we have right down the line, the better for all.

We in this country must be on guard, as must the people of all democracies, against the issues of an international character becoming mixed with those of purely local political consequence. In these days of atomic energy, and when the guided missiles, hydrogen bomb experiments, and so forth, are just day by day news in the press, we all realize, of course, that measures calling for relief from international tensions are of the greatest importance, not only to us here, but to the whole human race. For that reason, I would

say again that we must under no circumstances allow our thoughts, our policy and our activities in the matter of international affairs to be tinged with local political colour.

I think it proper to pay tribute, and very sincerely so, to the honourable Leader of the Opposition in this chamber (Hon. Mr. Haig) for the fair and thoroughly non-partisan attitude he takes on these international issues. I feel that fact is generally recognized. But I would not by my words of tribute to him wish to convey the suggestion that the proper attitudes in these matters have not been well maintained in this house.

Actually, in view of the gravity of the times, I would like to see political party affiliations disregarded entirely in the selection of representatives of Canada for the complex and varied organizations of the world, where solutions of world difficulties are being sought. In periods of war there have been many instances of such practice in the democracies, and in the efforts to avert war the same broad policy might well prevail.

I can well imagine some persons saying "That is a good idea, but politically impossible." All I would say to that is that politics is cheap stuff compared to the riches of the fullest possible contribution to world peace at this time. We in this country should not have a political dividing line among our elected representatives in these matters, where one group recognize their duty to work progressively and constructively, and the other group feel their responsibility calls only for criticism. I am glad to think we employ a helpful policy whereby parliamentary representatives from all political parties attend the United Nations proceedings as observers; I believe they sit in as fairly intimate consultants on inside policy discussions.

Canadian people, irrespective of party affiliation, I am sure, are proud of the world recognition that has been given to the part that the Honourable Mr. Pearson has taken in international deliberations and in the leadership generally that has been given by Canada in these times of crises. Let us back up and strengthen this leadership in every way possible.

The Speech from the Throne illustrates the world-wide activities of this nation. They include the need for maintaining the basic unity of the Commonwealth, which is a policy accepted by everyone. It rightly, I think, comes first in the many references to the international scene. The North Atlantic Treaty Organization is also mentioned, and I would like to pay tribute, as others have

done, to the splendid contribution which the Speaker of this house, the Honourable Wishart Robertson, has made to this organization, and in particular to the effort towards economic development within its framework. That policy has not yet borne the fruit that was hoped for, but let us keep on working and hoping in that direction. It is very gratifying to us to find that our Speaker has been made Honorary President of the Conference of NATO Parliamentarians.

It was of great interest to those of us who are members of the Canadian NATO Parliamentary Association, to have had recently the opportunity of meeting Mr. Wayne Hays of the United States House of Representatives, the President of the Conference of NATO Parliamentarians. He gave us a very informative address on the work of that organization, which enlightened us on the co-operation that comes from him and others in their official capacities in the United States.

Our colleague Senator Cameron gave us the other day a splendid description of the UNESCO Conference held in New Delhi quite recently, which was attended by delegates from 79 nations. It was most interesting that he was able to state with such feeling and sincerity that Canadians, wherever they went on that trip and throughout the conference, received a very hearty welcome. As he stated, he and the others representing Canada had the thought conveyed to them generally that Canada is not a nation which in those affairs is trying to get anything from anybody, but is recognized as bringing to these councils in the international field a completely objective and honest consideration. I feel, honourable senators, that Senator Cameron in bringing such a message to us from that far eastern conference has told us something of which Canadians can be justly proud.

I would like now to direct your attention to certain matters of local significance, some of which have a direct application to the Atlantic provinces, and to Newfoundland in particular.

There are certain aspects of the interim report of the Royal Commission on Canada's Economic Prospects which I will refer to at this time. Immediately the report came out it drew dominion-wide attention through the press and radio such as is not usually given to royal commission reports.

It should be borne in mind in these discussions that the report is a preliminary one and that the commission's final submissions will no doubt include much information which will assist in the interpretation of their first presentation. I am sure that the members of this commission, of which Mr. W. E. Gordon is

chairman, are recognized as men of outstanding ability and with very widespread interests throughout the dominion. From the point of view of personnel, the selection of this board unquestionably meets with national approval.

In reviewing the various sections of their submission, I found myself referring back to their terms of reference and wondering at times why they were making specific recommendations as to policy, inasmuch as they are really a body set up to study conditions as they are and can be foreseen, and to anticipate the economic prospects of Canada over the next 25 years.

It is singular also that of the ten provinces of Canada they should group four together—the Atlantic provinces—and treat them as a unit in the matter of reporting on and making recommendations with respect to them, notwithstanding their varied conditions.

My understanding, and I think the general thought of the public is that this commission was set up to provide facts and to anticipate trends on which national policy as formulated by Governments in the future may be influenced. In other words, it was supposed to provide a foundation of facts on which to base consideration of future policy in every part of Canada. I feel they were unwise in making specific recommendations as to policy in certain fields, because I do not think they had the organization or time or opportunity to make the comprehensive study that would be a requisite preliminary to some of these definite recommendations.

I do feel, however, that their reference to the advisability of the Government of Canada giving assistance to the residents of the four Atlantic provinces who may wish to leave those provinces, owing to lack of employment opportunities, has been over-publicized and taken a bit out of its context. It is hard, nevertheless, to reconcile oneself to an aggressive future policy in any part of Canada which sets forth the need for supplying money to assist people to get out of those parts. However, I know that extreme views have been taken on that one point. It has given rise unnecessarily, I think, to a reaction and probably has not done any good at the moment. While I am a little surprised that that reference was made in the preliminary report, which the commission must have considered in a sort of casual and easygoing way, I am still not inclined to go along with some of the extreme views that have been expressed. A few evenings ago I was listening to a group of men, none of whom I was acquainted with, who were discussing that very point. They had been reading what was in the newspapers and

probably hearing more on the radio, and one of them expressed the opinion, in very strong terms, that it was a terrible thing that a commission set up by the Government recommended taking everybody out of the Maritime provinces. The language in which that view was stated would not look well on *Hansard*.

I notice from the report that the commission's first public hearing was held in St. John's, Newfoundland, and it lasted for part on one day; in the province of Nova Scotia the hearing lasted for just three days. Now I know for a fact that when their visit was made to St. John's for the official hearings the general public and the organizations who would have liked to make submissions were not fully aware of the significance of this commission's work. The newspapers of course had written about it and so on, and people knew generally about the royal commission, but there was not a public awareness of the significance of the work of this organization whereby various interested bodies could prepare the factual submissions for their public hearings.

I should be surprised if the same apathy, or unawareness, if I may so term it, did not prevail in the other Atlantic provinces where, altogether, there were six days of hearings, spread over a little more than one week. The commission's report, of course, had to be based on the submissions made to them, but these submissions, to fulfil so far-reaching a function as this royal commission had, should be the result of expert study and investigation in each of the fields covered. As the commission went on and held hearings in the other provinces, I have no doubt that they received explanatory statements and submissions and a far greater breadth of information than was the case in the Atlantic section.

The report in its section on the Atlantic provinces makes reference to the case that was before the commission for improvement of the transportation system of the area. They rightly suggest that this is a matter for special inquiry on which policy could be determined.

As far as the province of Newfoundland is concerned, the transportation problems there are of unique significance, and certainly in that relation must not be considered only as part of those in the eastern area of Canada. It is unfortunate, I think, that more adequate provision was not made for communications and transportation in the early days when discussions for entry to the dominion were being carried on. Perhaps in other provinces, in some areas, railway transportation may be subordinate in importance to the roads.

But Newfoundland, with its widespread population along the coasts, has unique conditions and problems which require special consideration.

Another factor which must be borne in mind in considering Newfoundland's future is that the sea is its greatest natural resource. That fact is not generally recognized, and to my mind it is not brought out in the report with the emphasis that it should be given. It is true that today the mineral development which is going on there is commanding almost worldwide interest. We have also, as is generally known, a pulp and paper industry which is making use of our forests in a very capable and progressive manner. Further, we have an increasing number of diversified types of industry. On the other hand, thus far there has been brought forth only a very limited policy for making use of the products of the sea and for the general promotion of the fishing industry.

The report anticipates that by 1980 the number of fishermen will have dropped by one-sixth, but that by reason of greater mechanization during the next 25 years the productivity may increase by 60 per cent. That anticipation, surely, is nothing more than an estimate based on present trends and has been arrived at without consideration of what an adequate modernizing program commensurate with the natural resource would mean. It is a fact that today the wealth of the sea in relation to the available production is barely touched by Newfoundlanders.

It was my privilege a few months ago to be able to inspect a new Russian fishing ship which called at St. John's and was much publicized. It cost several million dollars and is, I believe, the pattern on which a large fleet is to be built by the Russian Government. It was a floating factory on which the fish that are caught are processed. The crew freeze what fish are required for human consumption, and process into oil, meal and so forth, what is needed for animal consumption and soil fertilization. Not a particle is wasted. I question whether there is in the North Atlantic a ship which compares in efficiency with that boat.

The French, Portuguese and Spanish boats are fishing off our shores, and scores of them use Newfoundland ports as their base. They are progressing in their efforts and increasing their catches, while ours in many branches are declining. In world markets our competition is greatest from the production of France, Norway and Iceland; in fact Newfoundland is being forced right out of some markets.

The Gordon Commission's interim report points out that it is a general policy of many

of the competing countries to support their fisheries by artificial aids or bounties and in other ways.

In the face of these facts, I cannot understand why the specific recommendation of policy made by the commission states that it would be unwise to institute policies of artificial aids and bounties such as prevail in other producing countries, but that Canada should take every opportunity for negotiations which could lead to the removal or reduction of barriers to international trade in fish. One can thus see an industry perish while those concerned are waiting with patience and lofty thoughts on the realization of the ideal of freedom of international trade. I am surprised that in these circumstances, and while the resources of the sea are not being used by our people to anything like the extent that they should be, the commission would piously deny what may be an inevitable course, at all events for the time being, if progress is to be made. It is, I admit, a course which is theoretically incorrect, but it may be in the competitive circumstances the only practical and effective one.

Direct subsidies in one form and another apply to commodities right across Canada, and some of these commodities may not be as vital to the livelihood of the people as fish is to fishermen. It may be in the minds of the commission to let the Government pay fishermen to move elsewhere to other jobs. Surely no recommendation could be more defeating.

Subsidies to industry take many forms besides what are called direct aids. Are not protective tariffs, excise taxes and so forth just as much a subsidy and a charge on the people's resources as a direct payment to encourage industrial promotion and production? There is hardly a manufacturing industry in Canada which is not protected, and that protection is provided through the payment by every Canadian family of a higher price for the products which are made here than it would have to pay if similar products could be brought duty-free into this country. I am not saying that entire abandonment of duties is a practical course. I am sure it is not. The dangers are only in the excesses; but a direct subsidy to an industry to produce a product which can be exported to other countries, and create earning power which can be used to extend the scope of local manufactures and production, does not call for any more condemnation than a reasonable application of customs tariffs.

I mentioned just now that the sea is the greatest natural resource of my province, and I genuinely believe that it is and will

continue to be beyond the period of 1980, which comes under review. On the other hand, and to emphasize the particular problems of Newfoundland, I should say that the sea is the greatest deterrent to a natural integration of the life on the island with that on the mainland. Arising out of that comes the problem, as I have said, of transportation and a hundred other matters which are not common in the same degree to many parts of Canada. This means that Newfoundland, by its need for a more developed economy, requires support in the provision of more adequate public services. The provision of these facilities sets up assets valuable to all of Canada. Newfoundland is off there by itself, shipping its fish and the products of its forests and mines to scores of far-away markets in four continents of the world, thereby earning the funds required for the purchase of its consumer needs from the other provinces of Canada, and this fact calls for special consideration.

As I have said in this chamber before, there is no province that buys such a large proportion of its requirements from other provinces and supplies so little of its production in competition with the producers in the other provinces. Our close neighbour Prince Edward Island sends three to four million dollars' worth of its production each year into Newfoundland, but buys practically nothing whatever from our island.

Hon. Mr. McIntyre: We do buy some cement from Newfoundland.

Hon. Mr. Pratt: That is fine, and I hope you keep on using more and more of our cement. I do not attach any blame to Prince Edward Island because a two-way trade up to the present time at all events has not been a natural condition. I am just pointing out that it is not right to condemn out of hand a policy which may set up more earning power, and which in turn would be of general help to the whole economy of Canada.

There are many other subjects in the Gordon Commission report on which I would like to express some views, but I feel, honourable senators, that I have taken up as much of your time as I should just now. In the course of the session, when business having relation to the many matters of national interest comes before us, the facts of the report and the commission's later submissions will, I am sure, be used extensively and profitably in parliamentary deliberations.

Hon. Senators: Hear, hear.

Hon. T. D'Arcy Leonard: Honourable senators, in rising to speak in this distinguished chamber my first words must be to acknowledge the courtesy and kindness that have been shown me by members of this august body

and by the staff of the Senate since my appointment here; and to thank them most sincerely for the warm and gracious welcome that they have given me.

(Translation):

Honourable senators, I also wish to thank my French-speaking colleagues for their kindness and courtesy. I am sorry that I do not speak their beautiful language better but I hope, with time and the help of my good friend the senator from De la Durantaye (Hon. Mr. Pouliot) that my French will improve. In the meantime, I shall have to revert to English.

(Text):

Honourable senators, I join with the others who have spoken in congratulating the mover and the seconder of the motion for an Address in reply to the Speech from the Throne. The experience and the knowledge of the mover, the honourable senator from Montarville (Hon. Mr. Bois), as shown by his remarks, will be of great value to the very important Special Committee on Land Use which has been set up at this session.

As for the honourable senator from Kamloops (Hon. Mr. Smith), as I listened to the good sense of his remarks, so well delivered, I was happy indeed to be his deskmate. I congratulate also the new senators from Prince Albert (Hon. Mr. Boucher) and Westmorland (Hon. Mr. Taylor) upon their appointments, and I wish to say that I have a fellow feeling for them, for I too am a recent newcomer to the Senate.

Honourable senators, the debate on this resolution affords an opportunity for a wide discussion of Canada's affairs. Both this year and last year I enjoyed the remarks of those who have dealt with some special part of Canada about which they have particular knowledge, such as the address just presented by the honourable gentleman from St. John's West (Hon. Mr. Pratt).

It has been my good fortune to have travelled extensively throughout Canada, from Newfoundland to British Columbia, but I know you do not expect me to tell you anything about the place from whence I come. In my travels I have learned to appreciate the various parts of this country, and the more I have seen of our people, the prouder I am of them and of my country, and the more grateful I am, not only for the blessing that made this my native land, but for the wisdom that brought about Confederation, which, out of the diversities of our people and notwithstanding the vastness of our territory, moulded us into one great united nation.

If it is not presumptuous on my part I should like to echo the remarks of the honourable Leader of the Opposition (Hon.

Mr. Haig) that Confederation would not have been possible without the establishment of this house. Here, in effect, each great section of this country speaks with equal voice and influence, so that the rights of minorities may be protected and that legislative decisions may not be unduly influenced by a preponderance of population in any one section of our federal system. It is as if we were a partnership of four—one from the Maritimes, one from Quebec, one from Ontario, and one from the west—concerned primarily with the good of the whole, but fully respecting the special views and interests of each portion. And so the Senate is a safeguard for the continued existence of our federated system of government.

Honourable senators, the particular topic with which I wish to deal today is the reference in the Speech from the Throne for the need to check the inflationary tendencies now existing in this country and elsewhere. The seriousness of these tendencies is emphasized by the fact that Mr. Eisenhower, the President of the United States of America, in his State of the Union message on January 10, put it first in his consideration of his country's domestic affairs. He said:

No subject on the domestic scene should more attract the concern of the friends of American working men and women and of free business enterprise than the forces latent and active that threaten a steady depreciation of the value of our money.

I must admit that I enter upon this subject with a certain amount of trepidation. I remember reading a good many years ago something written by Sir Norman Angell, in which he said, "The two things that seem to addle a man's brains most are, (1) monetary theory, and, (2) women." At the outset, I should say that I am not an expert on either. However, I am emboldened to say something on the subject of inflation, because it seems to me that it is important enough to warrant the consideration of all thoughtful Canadians and an appreciation of the issues involved, and so I venture to put forward my views for what they may be worth.

In the first instance, may I define the word "inflation" as I use it, because it may mean different things to different people. By inflation I mean a substantial and continued rise in the general level of prices. One reason for being careful about the use of the word is that it may arise from quite different sets of circumstances, and sometimes the meaning of the word is confused with its underlying causes. For example, we are all familiar with the inflation that took place in Germany after World War I, and which was the result of an enormous increase in government spending, based on government deficits, and financed by an increase in the currency, so

that marks turned out by printing presses rapidly depreciated in value and prices soared. It was pure inflation, and the misery and hate that it caused made a fertile breeding ground for a dictator and a war.

An entirely different set of circumstances caused inflation during World War II, both in Canada and elsewhere. Here a magnificent job was done to keep inflation within reasonable control. In wartime a country has to mobilize a very large proportion of its manpower and material resources in order to produce guns, planes and warships, and to man its armed forces. All this spending done by the Government becomes purchasing power in the hands of the public, while at the same time there is a limited amount of civilian goods which can be bought. This causes prices to rise. In wartime it was recognized that this situation must be controlled and curbed in order to win the war, and we were prepared to make sacrifices accordingly. We therefore paid high taxes, bought Victory bonds, and submitted to the Wartime Prices and Trade Board controls and rationing, in order to keep inflation within reasonable check.

Coming now to the present inflationary tendencies, we see that they arise from something different again from the other two cases that I have mentioned.

As the honourable Leader of the Opposition pointed out, the present cost of living index is about 90 per cent higher than the figure for 1939. In order to understand our present situation it seems to me that we must divorce the period between 1939 and 1951 from the period since 1951. First of all, after 1939 we had the inevitable wartime inflation of which I have spoken. In the immediate post-war period when price controls and rationing were removed it was like the lifting of a lid, and there was released a pent-up demand for spending, which again forced up prices in the post-war period; then came the Korean War in 1950, with consequent heavy Government expenditures for the war effort. However, by 1951 all of these inflationary influences had spent themselves and we reached a point of stability, so that for a period of approximately four years we had no inflation, and prices remained stable, even though generally throughout that period we were expanding production and employment. The cost of living index averaged 116.5 for the year 1952, and in May of last year it was 116.6, practically the same figure.

Since May of 1956 the cost of living index has risen to 120.4, a gain of nearly 4 points in seven months, and it is that rise in the last seven months that is the significant feature in our present situation, and not the

inflation that took place between 1939 and 1952. That is the warning signal that inflationary pressures are at work in our economy.

When we look into the causes of this rise in prices we find that in 1955 the gross national production in Canada rose about 9 per cent above the figure of the previous year. That was perhaps the largest single annual increase in the history of the country. The expansion continued through 1956 and brought our economy to the point where production is bumping up against the ceiling imposed by our physical capacity to produce; yet we want to go on expanding. In effect, what we are trying to do is to run faster than our legs will carry us. One set of figures will give an example: As of October 1956, compared with two years earlier, October 1954, there were nearly 370,000 more persons employed in Canada, and the number of persons unemployed and seeking work had dropped from 180,000 in October 1954 to 98,000 in October 1956. The percentage of labour force unemployed and seeking work was down to 1.7; in other words, we had practically 100 per cent employment. At the same time, because of the expansion during those past two years, shortages had begun to develop in a number of essential materials. We have therefore reached the zone of full employment of our resources of manpower and materials.

Honourable senators, one might ask: "What is wrong with all this? We are prosperous, everybody is working, profits are good, so why not relax and enjoy it?" A good many people would be prepared to swap a little inflation for what they hope will be a continuation of the boom. This is dangerous psychology and might involve our economy in some serious trouble. An analogy comes to my mind of the man who likes to drive his car fast along a highway; the faster he goes the greater thrill he gets out of it, but if he keeps pressing his foot down on the accelerator I am afraid that at some time he will pay dearly for his enjoyment. If this inflationary tendency of the present time was to stop at the 4 per cent rise seen in the last seven months, and were now to level off, of course, no harm would come, but in fact the rapid rise in prices has not yet percolated through our whole economy, and there are still price increases to come as the result of the 4 per cent rise during the last year.

Furthermore, when we reach this stage of full employment and still wish to expand, bidding for the available supplies starts. Organized labour is able to ask for and receive higher wages; businesses making good profits are able to pay the higher

wages, and that higher cost is passed on in the form of higher prices. One man's higher price becomes another man's higher cost, and so the inflationary spiral is at work.

Now, what is wrong with that situation? Here are some of the things that happen if we are not able to curb or control the inflationary trend.

In the first place, the people who suffer the most are those who are not able to raise their incomes as fast as prices rise. They include unorganized workers, pensioners, annuitants and all recipients of social welfare payments. The second thing that happens is that people are discouraged from saving. They are afraid that their savings would depreciate by reason of the increase in prices, and therefore it would be better for them to spend rather than to save. And one more push is added to the inflationary spiral. A third thing that happens is that our competitive position in world markets is worsened. Those industries which depend upon exports find their costs have increased, and they are unable to compete in world markets. And so a contraction starts in that very important section of our economy.

Continued inflation leads to speculation, because people think goods are going to continue to rise in price. Finally there is an ultimate collapse, and the higher the prices have risen the more severe the depression that follows.

Well, what is the solution to the situation, if that is a true analysis of it? As the problem is one of excess demand against the available supply of resources, then of course you can try to increase the supply or decrease the demand, or do both. As we are in a state of full employment, we cannot add to the supply of our resources except over a period of time, during which the inflationary pressures of demand for spending may grow as fast or faster. So the pressure grows. The answer seems to lie in decreasing the demand while we catch up with the supply.

There are several ways in which we can slow down our demands for spending on more goods and services. One of course is that we voluntarily postpone the buying of things—and this goes for governments, business and individuals—which can reasonably be postponed until prices are more stable.

The second point is—and it is an unfortunate one for us—we will have to continue to pay relatively high taxes. I dislike that as much as anybody, but there is not much doubt that in this situation relatively high taxation does help to dampen down the demand and eventually to stop the inflationary pressure. In this connection the federal Government's surplus is a help to the economy as it decreases the spending pressure.

The third factor in reducing inflationary tendencies, and the most important of all, is the credit squeeze. At present we have tight money and high interest rates. In that connection, I think I should first say that tight money and high interest rates are a natural development of the expansion in our economy which I have described. During this past year \$7½ billion out of our total gross national product of \$30 billion was invested in capital goods. That is 25 per cent of the total, which is an enormous proportion. Indeed, it is much higher than the proportion achieved in the United States. It is probably much higher than the proportion of output devoted to capital improvement in countries behind the Iron Curtain, where the people are regimented and controlled and there is a government direction of credit. Our supply of capital funds is limited by the supply of our savings. There is intense competition for the capital funds necessary to finance our investment program. During 1956 we saw new issues of bonds for a very substantial amount of money, for capital investment for development, in uranium, gas, oil, iron, copper, aluminum, and allied industries such as pipe lines, transportation and power facilities. All these demands upon our supply of capital funds have tended to raise interest rates and to create the condition of tight money. That capital investment program has been the most dynamic feature of our economy over the past two years. At the same time there has also been an increase in consumer expenditure by all of us, at the retail level, on consumer goods. Some of this expenditure has been due to an expansion of consumer credit in the form of instalment buying and personal loans. In the past two years there has been an increase in consumer credit of \$650 million, and the total outstanding consumer credit as of last September was \$2,400 million.

Now one may ask, would it not be a good idea to inject some new credit into this tight money situation? Should we not have the Bank of Canada artificially inject more credit into the economy, so that people may borrow funds which they cannot now get, or which they are unable to get in sufficient quantity? Such an injection of new credit, if not accompanied by an equivalent supply of goods, would serve no purpose. As long as the basic problem is an excess demand for the limited supply of goods and manpower, more money would only intensify the demand. Prices would go higher, and the efforts of the borrowers to spend would be frustrated by this further increase.

I have said that tight money and high interest rates are a natural development of

this situation. They are symptoms of it, but they also help to cure it. They do it in this way: In the first place, high interest rates encourage people to save, and tend to bring the volume of savings more into equilibrium with the demand for capital investment. In the second place, and more important, they cause governments, businesses and individuals to take another look at their spending programs and to decide to postpone until interest rates are lower some of the expenditures which they now think they should go ahead with. To the extent then that people can postpone spending now, and spend later, we will spread out our expansion and production, and we will extend the period of our prosperity.

In the result, tight money, high interest rates, relatively high taxes, Government surpluses and such voluntary saving as we make, help to overcome the inflationary influences.

I realize that the effect of tight money falls unevenly throughout the country. It affects some people, some areas, some businesses, and some sectors more than others. Consequently complaints arise and one cannot help but be sympathetic toward them. But under any treatment that we might apply to a situation of full employment and rapid expansion, somebody has to do without. It has been suggested that possibly there should be selective controls, that perhaps the Government should step in and direct a flow of money into certain quarters. Somebody still would have to do without. It is a very serious question how far a Government in peacetime should interfere in a free economy with the direction and flow of credit. Such regulation might be all right in wartime when everybody recognizes that the one objective is to win the war, but in peacetime to try to determine who is to have access to borrowed funds and who is not, how much credit people may have, what businesses are to be allowed to expand and what ones are not—to do all these things would involve a degree of regimentation that I think would not command popular support in this country at this time.

To sum up: the situation that I think we would all like to have is one in which our economy would go ahead at a steady, sure pace but without an overall price increase. This is possible if we can cut down sufficiently on our immediate demands for spending. We can still be very well off in this year 1957, for example, if instead of expanding at the rate we did in 1955 and 1956 we were to slow down to a point where our gross national production increased during the year by 4 or 5 per cent over the 1956 figure.

There are people who fear that the effect of tight money might go too far and cause unemployment. In this connection it is interesting to look at other countries where inflationary pressures have been working, and a credit squeeze exists. For instance, they have tight money in the United States, the United Kingdom and Germany. In the United Kingdom the bank discount rate is 5½ per cent, compared with our rate of something under 4 per cent. Germany's rate was 5 per cent until recently.

I was interested to read the remarks made this week by Sir Oliver Franks, Chairman of Lloyds Bank in England. He was discussing the effect of the credit squeeze in the United Kingdom, where credit restrictions were imposed in 1955, on the recommendation of the Chancellor of the Exchequer. The United Kingdom also put into effect some other measures designed primarily to direct her industry toward exports, under the old principle that Britain must export or die. Looking back now over the period of time during which this tight money policy had been in effect in Britain, Sir Oliver Franks pointed out that there had been a check in production as a result of tight money and the auxiliary measures, but that there had been no appreciable downturn. He said:

In the light of this we should hear no more of the cry that any measure of disinflation, however gently applied, can result in wholesale slump and unemployment. On the contrary, should we find ourselves in a similar situation in future, the authorities ought to be emboldened by this experience to act more promptly and effectively.

I will sum up by suggesting that what we want to do is to avoid the excesses of inflation and of subsequent depression. We want to smooth out the hills and the valleys. We want to avoid the "boom and bust" cycle, and if we can dampen down a boom by relatively high taxes and interest rates, a subsequent depression may never come, and if there is any recession it should be milder and shorter.

Some of the increased spending by consumers and business should be spread out over a longer period so that our prosperity can be continued into the future. In the long run of course it is the destiny of Canada to go on to greater wealth and production, far beyond our present stage, but if we bring to this problem of inflation in peacetime the same qualities of understanding, intelligence, self-discipline and leadership that we brought to the problem of inflation in wartime, then our progress will be steadier, surer, faster and greater.

On motion of Hon. Mr. Connolly (Halifax North), the debate was adjourned.

DIVORCE RULES

AMENDMENTS RECOMMENDED BY COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, January 24, the adjourned debate on the motion of Hon. Mr. Roebuck for adoption of the thirteenth report of the Standing Committee on Divorce.

Hon. W. M. Aseltine: Honourable senators, I find this a very interesting subject and I think I should say something with respect to the suggested amendments to the divorce rules. We have been a long time in reaching this item on the Order Paper, and I may have forgotten some of the things I intended to say. But I want to make it clear that anything I say is meant to be helpful; none of my remarks will have any political significance, and they are not intended to be critical of any person, living or dead.

Our divorce rules have not been amended for a long time. In May of last year the committee thought that something should be done about them, and it passed a resolution requesting the former Law Clerk of the Senate, Mr. MacNeill, the present law Clerk, Mr. Hopkins, and the Chief Clerk of committees, Mr. Armstrong, to look over the rules during the recess and bring in a report and recommendations in this matter. They did so. Their report is a very interesting document. I have read it with care, and I compliment those concerned on having done a good job. We have been told by the chairman of the committee that the committee carefully considered the report and drew up a number of amendments, which it has submitted to us for approval.

I like the way in which the amendments have been drawn. Instead of saying that in a certain line certain words should be struck out and other words inserted, which is the kind of thing we are confronted with when we consider amendments to the Income Tax Act, the committee has deleted whole sections, drawn new ones, and analyzed the changes involved. In that respect, I submit, it has done a good job.

I trust that honourable senators have read the report and the suggested amendments. Most of the amendments deal with routine matters and are of no great importance. In fact, when I was a member of the committee and we could not find any rule to go by, we always fell back on rule 152, which states:

152. In cases not provided for by these rules the general principles upon which the Imperial Parliament proceeds in dissolving marriage and the rules, usages and forms of the House of Lords in respect of divorce proceedings may, so far as they are applicable, be applied to divorce proceedings before the Senate and before the Standing Committee on Divorce.

We considered that that direction covered a multitude of things, and we did not worry about whether or not we could find a definite rule. In fact, I do not like to be tied down by too many rules; in this respect I prefer a little freedom.

As I have said, I find no objection to most of these amendments; but one of them, having to do with the naming and serving of co-respondents in all cases before petitions are heard, gives me considerable concern, and I shall deal with it a little later.

I think I should say something about the present rules. They were drawn up when divorce in Canada was in its infancy; but whoever prepared them had a good precedent. They were copied practically in their entirety from the rules of procedure prevailing in England at the time. That is why they have stood up so well and so long.

At the present time eight of the ten Canadian provinces, including Ontario, the west, and the Maritimes, have their own divorce courts. They, also, adopted the good practice of copying their rules and regulations from those in force in England; and that, I suppose, is why there is so much similarity between the Senate rules pertaining to divorce and those which prevail in the various provinces.

Before I came to Ottawa I had had considerable experience of divorce matters in the province of Saskatchewan. When I became a member of the Divorce Committee of the Senate I began to compare the rules in force in Saskatchewan with those of our committee, and I noticed many similarities. But there are some differences in procedure. In Saskatchewan we issue a writ which names the parties, and states the time for appearance and the names of the solicitor for the plaintiff. Attached to the writ is a statement of claim which sets out all of the things that are mentioned in Senate Rule 139, with certain additions, and in an action in any province the name of the co-respondent must if at all possible be provided and the co-respondent must be served before the case goes to trial. If the name of the co-respondent is not known, an application has to be made to a judge of the court, before a writ is issued for leave to proceed with the action without naming the co-respondent. When I found out that the Senate rules did not require the co-respondent to be named or served, it bothered me quite a bit. I was of the opinion that in parliamentary divorce petitions, as in court cases, the co-respondent should be named and that he or she should be served with the papers.

I have found other differences as well. For example, in the provinces we are allowed to obtain evidence on commission and to proceed

to get facts by examinations for discovery. We do not follow these methods in parliamentary divorce. Another thing is that in the provincial courts a notice of trial has to be given to all parties whether they appear or not, and the trial is held in open court, whereas in the Senate the petitions are inquired into *in camera*. In both proceedings, however, before a case can proceed the plaintiff in the courts or the petitioner before Parliament must take an affidavit swearing to the facts known at the time and contained in the statement of claim or in the petition.

As I was a member of the Divorce Committee for quite a number of years, and its chairman during some ten years, honourable senators may wonder why I did not take steps to provide for the naming of and serving of papers upon the co-respondent. The reason was this. When I first became a member of the committee we had a very capable chairman in the person of Senator McMeans of Winnipeg. He was followed by Senator Robinson of Moncton. Preceding those gentlemen as chairman there had been, among others, Senator W. B. Willoughby of Moose Jaw, Senator Sir James Lougheed of Calgary, and Senator W. B. Ross of Middleton, Nova Scotia.

When I asked Senators McMeans and Robinson why the Senate rules had never been amended to bring them into line with those of the courts they replied they had discussed the matter together many times, and Senator McMeans also told me that he had discussed the question with Senators Willoughby and Lougheed. They had all come to the conclusion that the rules should not be changed.

I should like to give you their reasons. In the first place, they pointed to the fact that the Senate committee was not a court, and that an application to have a divorce dissolved by Parliament was made by way of petition to the foot of the Throne. They also claimed that in their opinion a parliamentary divorce could be obtained on the ground of adultery, desertion or any other ground or, as a matter of fact, upon no ground at all. But they did not feel that the Senate, as one branch of Parliament, had the authority to make a rule that the petitioner should specify this, that and the other thing. They felt that every petition should be decided on its own merits.

That was the main reason they had not adopted the practice prevailing in the provincial courts. They said that the Senate rules were only for guidance and to help establish some uniformity in procedure. They referred me to Rule 152, which I read to the house a few minutes ago. They also said that another reason for not naming the co-

respondent and serving him was that it would lead to more divorces, which was against public policy. Take the case of a husband who is named and served as a co-respondent. His wife finds out about it and there is another divorce.

They also said that in most petitions emanating from the province of Quebec, particularly from Montreal, the name of the co-respondent could not be ascertained, and that if a change were made in the rules so that the co-respondent would have to be named and served it would place too great an obligation on the committee. They felt it would be a different matter if the committee sat throughout the year and not just during sessions of Parliament. In other words, they claimed that we have not got the machinery to justify such a change in the rules. They said, too, that if they saw fit they could order that the co-respondent be named in any petition filed with the committee and that he be served. In any event, they predicted that Parliamentary divorces would soon be done away with and for that reason they did not think anything should be done to change the rules.

I also discussed this whole question with the honourable Leader of the Opposition (Hon. Mr. Haig) who for many years assisted me in this Parliamentary divorce work as chairman of our subcommittee. We discussed this question many times and we came to the same conclusions as those gentlemen to whom I have referred. I am giving the house this information to show why during the time I was chairman of the committee I did not bring in any amendments of this kind. We came to the conclusion that everything was going well: "God's in His heaven—all's right with the world!" So why change things?

The officers appointed last year to review the rules of the Senate relating to divorce made the following statement in their report to the Divorce Committee:

We have not reached a firm conclusion on the desirability or otherwise of requiring the naming or serving of documents in every case upon "co-respondents"—that is, upon persons with whom it is alleged that a matrimonial offence has been committed—or as to the appropriate method whereby a petitioner might procure a dispensation from such requirements.

Honourable senators, not only the former chairmen of the committee had doubts on the matter, but the report of these officials implies that they too had certain doubts upon the desirability of making this change.

I took it upon myself last week to go through the record and find out how many petitions were issued each year in which the co-respondent was not known. I found that in 1956 out of 356 cases the name of the co-respondent was known in only 85 cases. That

would mean that in almost 300 cases a year the proposed new procedure would apply if the amendment were adopted. I am quite sure that there will be at least that number of cases every year wherein the co-respondent is not known and cannot be served.

The suggested rule provides for the naming of the co-respondent and the service of all the papers on the co-respondent; it also provides that if the co-respondent is not known, before the petition can be set down for hearing an application must be made to the committee by the petitioner or his or her solicitor for leave to proceed without naming and serving the co-respondent. That is going to be quite a proposition. That means that every year the committee will be faced with hearing some 300 applications or more for leave to proceed. That procedure will be expensive, because the solicitors for the petitioners will have to appear before the committee, sometimes at considerable expense. It may even necessitate more clerical help for the committee. Further, I think it would be an imposition on the members of the committee to have to go through all that procedure. I am afraid that the committee would become bogged down, and that when our present and capable chairman of the committee retires we would be unable to get anyone to take his position.

Honourable senators, if the committee insists that a rule of this kind is necessary, and if the Senate considers it advisable, I suggest that the rule be redrawn to provide that in cases where the co-respondent is known he or she must be named and served. That is all that would need to be put into the rule. Then if a petitioner came before the committee with a petition in which the co-respondent was not named and it was found by the committee that the co-respondent was known and should have been named, it would only be necessary for the committee to adjourn the case and order the parties to be served. Under that system the committee would not have to hear 300-odd applications for leave to proceed in advance.

I have another suggestion: If the proposed new rule should happen to go through as it is worded now, why could not some procedure be adopted whereby the Law Clerk of the Senate, when Parliament is not in session, would hear these applications for leave to proceed without naming the co-respondent?

May I make a further suggestion? Why could not the chairman and one member of the committee, when Parliament is in session, have power to hear all these applications and make an order allowing a case to proceed or not to proceed, as the case might be.

That is all I wish to say about the suggested change in the rule, which has caused me a great deal of concern and which, in my opinion, may not improve matters to any great degree if adopted, and may in fact do harm.

Honourable senators, I want to refer to Rule 136, which has not been mentioned. It provides that in all cases of petitions for divorce to Parliament notice must appear in a French and an English newspaper, as well as in the *Canada Gazette*. That is a most expensive procedure. It has been found in the past that where applications had been made to waive the payment of part of the parliamentary fee, and cases of that kind, the cost of the advertising was sometimes over \$100, and for the life of me I could never understand why the notices had to be published in French and English newspapers as well as in the *Canada Gazette*. Publication in the *Canada Gazette* should be sufficient. Why could we not redraft Rule 136 and cut out this requirement? I think that is of sufficient importance to be considered before these amendments are finally dealt with.

I should also like to see provision made for examination for discovery, and for taking evidence by commission, if possible. For example, under the present procedure if a person from Newfoundland files a petition, he or she must give evidence by personal attendance, unless the committee issues an order that certain facts may be proved by affidavit. Such persons are obliged to bring a lawyer and witnesses to Ottawa, at great expense. I do not know if the committee has considered the possibility of receiving evidence in the way I have suggested, but if it were possible it would be much to the advantage of people who otherwise would have to come from Newfoundland or other great distances to give evidence.

We are told that these new rules would not come into force until September 1. In the meantime, I presume they would be printed and distributed to the legal profession, but between now and September 1 the old rules would still apply, and petitions for divorce would come in without naming the co-respondent. The committee would have to deal with such petitions at a later time.

I feel, honourable senators, that the suggestion I have made is worth while. Let us not make the work of the committee more burdensome. I feel this particular rule should be redrafted to provide simply for the naming of and service on the co-respondent when he or she is known. In other cases the matter could be dealt with by the committee when the cases come up for hearing.

On motion of Hon. Mr. Farris, the debate was adjourned.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 123 to 141, which were presented on Tuesday, February 5, 1957.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

BILLS—SECOND READINGS

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

Bill A-3, an Act for the relief of Lorna Charlotte Brooks McConnery.

Bill B-3, an Act for the relief of Lorna Claire Bianchi Shields.

Bill C-3, an Act for the relief of Edna Hall Powell Tannahill.

Bill D-3, an Act for the relief of Marion Ruth Bronfman Hoffer.

Bill E-3, an Act for the relief of John Fraser McLean.

Bill F-3, an Act for the relief of Rene Dauray.

Bill G-3, an Act for the relief of Clarence Ronald John Emberg.

Bill H-3, an Act for the relief of Elizabeth Joyce Cole Fraser.

Bill I-3, an Act for the relief of Joseph Rolland Forest.

Bill J-3, an Act for the relief of Bessie Holmes Saunders.

Bill K-3, an Act for the relief of Sarah Spiegel Wigdor.

Bill L-3, an Act for the relief of Joyce Western Dolan.

Bill M-3, an Act for the relief of Christina Muriel Jean Leard Kowal.

Bill N-3, an Act for the relief of Pauline Marguerite Dastous Bourgon.

Bill O-3, an Act for the relief of Marie France Jose Therese Fasbender Rousseau.

Bill P-3, an Act for the relief of Mary Klodin Freeze.

Bill Q-3, an Act for the relief of Zigurds Berzins.

Bill R-3, an Act for the relief of Tobia Betze van Lier Franken.

Bill S-3, an Act for the relief of Marthe Brais Laurence.

Bill T-3, an Act for the relief of Miriam Fridman Herszlikowicz.

Bill U-3, an Act for the relief of Cleo Joseph Ladouceur.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bill:

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1957.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 7, 1957

The Senate met at 3 p.m., the Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

PRIVATE BILL

ALASKA-YUKON PIPELINES LTD.—REPORT OF COMMITTEE

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the report of the Committee on Bill P-1.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications to whom was referred the Bill P-1, intituled: "An Act to incorporate Alaska-Yukon Pipelines Ltd.", have in obedience to the orders of reference of January 31, 1957, examined the said bill and now report the same with the following amendment:

Page 2, lines 15, 16 and 17: delete "and in that portion of the province of British Columbia lying to the north of the fifty-eighth parallel" and substitute therefor the following: "the Northwest Territories and in the provinces of Alberta and British Columbia".

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

Hon. Mr. Hugessen: Next sitting.

QUEBEC SAVINGS BANKS BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of Standing Committee on Banking and Commerce, presented the report of the committee on Bill Q-1.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (Q-1) intituled: "An Act to amend the Quebec Savings Banks Act", have in obedience to the order of reference of February 5, 1957, examined the said bill and now report the same with the following amendments:

1. Page 2, line 29: Delete line 29 and substitute therefor the following: "If the aggregate value of the investments on the books of the"

2. Page 2, lines 35 to 44, both inclusive: Delete lines 35 to 44, both inclusive and substitute therefor the following: "59A. The bank may invest in the securities and shares of a corporation incorporated in Canada, other than one mentioned in section 58 or 59, the securities of which are not in default in respect of either principal or interest, if the aggregate value of the investments on the books of the bank under this section, together with the market value of the proposed investment, does not exceed fifty per cent of the paid-up capital and rest account of the bank."

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

Hon. Mr. Hayden: Honourable senators, with leave I would suggest that the report be considered now. At any rate, perhaps I might make a brief explanation of the amendments, and honourable senators could then decide whether or not they wish to adopt them at this time.

The act which this bill would amend has to do with several Quebec savings banks. The particular sections of the act in which the committee's report proposes some changes in language defines the right or power of these banks to invest in securities and shares of companies incorporated in Canada. The bill put two limitations upon that power: one, that the securities of an incorporated company in which a bank invests must not be in default at the time in respect of either principal or interest; and, second, that the amount of money of a bank that may be so invested, together with the market value of the proposed investment, must not exceed 50 per cent of the paid-up capital and rest account of the bank. But in spelling out how you arrive at the value of the investment the bill used language that is not clear. It said a bank may invest in such securities and shares "if the aggregate book value of the investments of the bank under this section, together with the market value of the proposed investment, does not exceed 50 per cent of the paid-up capital and rest account of the bank". But, as any lawyer knows, when you talk about book value of shares, that ordinarily means the book value of those shares in relation to the company whose shares they are; whereas what this section intended to refer to was the book value of those shares to the bank—in other words, their cost less amortization. The committee's amendments would clarify the point that the aggregate value referred to in the sections in question is the aggregate value of the investments on the books of the bank.

This is a Government bill, but I understood from the representatives of the Quebec banks who were before the committee this morning that the revision is beneficial, and that they are very happy with it and would like to have it passed into law as soon as possible.

Hon. Thomas Reid: Honourable senators, I do not think we should create a precedent by considering the amendments and then proceeding to give the bill third reading today. Amendments proposed by committees should be before us in a form which enables us to look them over before they are dealt with.

Hon. Mr. Roebuck: The explanation that has just been given will appear on *Hansard*.

Why not put consideration of the amendments over until the next sitting?

Hon. Mr. Hayden: Our next sitting will be on Tuesday evening.

Hon. Mr. Roebuck: Surely, in a matter of legislation such as this, which may last for a hundred years, a delay of two or three days does not mean anything.

Hon. Mr. Hayden: The bill has to pass the House of Commons.

Hon. Mr. Roebuck: Very true. And it may run into difficulty there if we proceed too hastily. As I have said, why, with the explanation that has been made, should we not leave the bill on the Order Paper for one adjournment, at least, so that if anybody objects to it he will have an opportunity of looking it over? I do not like to see bills go through in the way suggested. Perhaps the sponsor of the bill will not be here next Tuesday.

Hon. Mr. Hayden: I shall be here then, but I am not the sponsor.

Hon. Mr. Roebuck: Well, as you are the chairman of the committee and will be here on Tuesday, let us defer action on the bill till then.

The Hon. the Acting Speaker: Consideration next sitting.

PRIVATE BILL

OBLATE FATHERS OF ASSUMPTION PROVINCE—REPORT OF COMMITTEE

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the report of the committee on Bill T.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred the Bill (T) intitled: "An Act to incorporate Oblate Fathers of Assumption Province", have in obedience to the order of reference of January 29, 1957, examined the said bill and now beg leave to report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 142 to 158, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill T-4, an Act for the relief of Alice Katherine Sorensen Engel.

Bill U-4, an Act for the relief of Deirdre Joan Lang Srb.

Bill V-4, an Act for the relief of Lily Brigham Hall Fallon.

Bill W-4, an Act for the relief of Margaret Cameron Brown Gravenor.

Bill X-4, an Act for the relief of Naim Shaul Goorji.

Bill Y-4, an Act for the relief of Roxcina Viola McPherson Lippiatt.

Bill Z-4, an Act for the relief of Lillian Annie Wagner Fahy.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

COMMITTEE ON ORDERS AND PRIVILEGES

ORDER OF REFERENCE RESCINDED

Hon. W. Ross Macdonald: Honourable senators, I would move, seconded by the honourable Leader of the Opposition (Hon. Mr. Haig):

That the order of the Senate of the 15th day of January, 1957, referring to the Committee appointed to consider the Orders and Customs of the Senate and Privileges of Parliament, the report of the Clerk of the Senate relative to the absence of the Honourable Joseph James Duffus during two consecutive sessions of Parliament, be rescinded, and that no further action be taken on the said report.

The motion was agreed to.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

The motion was agreed to.

PRIVATE BILL

KINGS MUTUAL INSURANCE COMPANY—
FIRST READING

Hon. John A. McDonald presented Bill A-5, an Act to incorporate Kings Mutual Insurance Company.

The bill was read the first time.

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

Hon. Mr. McDonald: A week from next Tuesday, February 19.

THE LATE HON. J. J. DUFFUS

TRIBUTES TO HIS MEMORY

On the Orders of the Day:

Hon. W. Ross Macdonald: Honourable senators, before we proceed with the Orders of the Day may I refer to the passing of one who was a very dear friend to the members of this chamber, the late Joseph James Duffus. His passing is a personal loss to a great many of us who have known him over the years.

The first time I met him he was interested in plowing matches. He travelled over this country encouraging young farmers to take an interest in a skill, the nature of which has since changed considerably. At one time in the memory of all of us plowing was done entirely by horses, and some honourable senators may recall when it was done by oxen. Plowing is now done by machinery, but it still requires a great deal of skill. The matches which take place nowadays, both national and international, have developed from the early days when the late Joseph James Duffus was one of the first to take an interest in them. He was well known across Canada, and was called by thousands not "Mr. Duffus" or "Senator Duffus", but "Joe", and to those thousands of people throughout the country his passing is a great loss.

His life was filled with good works. I recall that the first speech I heard him make in this chamber was on a subject which was very dear to him, the establishment of the David Fife Memorial Society to commemorate the discovery by David Fife of Red Fife wheat. He made a very stirring appeal to us to support him in that undertaking. I do not believe the memorial has been erected yet, but he started the movement, and probably some of us will see it completed. That was only one of the many good works in which he was interested.

The late Joseph J. Duffus was born on June 17, 1876, at Peterborough, Ontario, where he lived all his life. He was the son of James J. Duffus and Maria Glavin. At an early age he threw himself with vigour into farming, and subsequently business pursuits,

in the Peterborough area, where he soon established himself as a leader of the community.

On April 30, 1907 he married Gertrude L. Sullivan, who survives him with two sons and two daughters. He was a man of varied and wide interests, and in every field of endeavour to which he turned he achieved success and leadership. He was an alderman of the city of Peterborough for six years and mayor during 1916 and 1917; and for three years he was president of the Peterborough Chamber of Commerce. In addition, he was president of the Ontario Plowman's Association, vice-president of the Ontario Tourist Association, and a member of various religious, educational and service organizations in the Peterborough area. He was interested in military affairs and served with various regiments. He entered the House of Commons in 1935 on the same day that I did. He had offered himself for election unsuccessfully on two previous occasions, in 1926 and 1930. He did not seek re-election to that house, and in 1940 he was summoned to the Senate.

Although he was an ardent Liberal he was not bound by narrow partisanship. He was always willing to give help to all who needed it, and to support all worthy causes, no matter who sponsored them.

Honourable senators, his passing is a great loss to his wife and family, to all of whom I extend our deepest sympathy.

Hon. John T. Haig: Honourable members, I only knew the late Senator Duffus after he was summoned to this house. His health was not very good at that time; in fact, it was gradually declining. I shall never forget his speech on the late David Fife, after whom Red Fife Wheat was named. Red Fife was one of the outstanding types of grain produced in the west, in my part of the country, for many years. Before hearing the speech by Senator Duffus I had thought that Red Fife was just the name of a certain type of wheat; it had never entered my head that Fife was the name of the great man who had discovered this wheat which contributed so largely to the development of the west. Red Fife wheat resists rust, which comes to Canada even from so far as Mexico. It was a great lesson to us younger men back in the days when we were just "feeling our oats", so to speak, and beginning to take a live interest in our country, to learn what science could do in these matters.

Senator Duffus was a credit to his native province of Ontario. Personally, I was delighted and inspired by his speech on the discovery of Red Fife wheat, and I felt an obligation to him for the information he presented to the Senate on the subject.

Our late colleague will be sorely missed by his wife and family. I have experienced bereavement myself, so I know something about those things. On behalf of all honourable senators I extend to his widow and family a warm tribute to the memory of their husband and father, who gave to his country something very much worth while, for which he will long be gratefully remembered.

Hon. Norman P. Lambert: Honourable senators, it is with a considerable measure of sadness and regret that I rise at this time to support the words that have been so appropriately expressed by the Leader of the Government (Hon. Mr. Macdonald) and the Leader of the Opposition (Hon. Mr. Haig).

I had the great privilege of knowing the late Senator Duffus for the past thirty years. Perhaps the highest tribute one can pay him is to say that he was essentially a good Canadian citizen. He was particularly attached to that part of the country which he knew best, the district of Peterborough and the adjoining counties of central and eastern Ontario. As a result of his active interest in all community affairs he earned for himself a reputation of being not only an accomplished speaker and a tireless worker among his people, but a representative who could be relied upon to attend to the needs of his fellow citizens in that part of the province.

When I think of my own intimate contact with Senator Duffus during the thirties, particularly the working relationship we had in connection with political affairs, I recall his ardent non-partisan enthusiasm for public affairs and service in the interest of not only his own people but the country as a whole. For example, the tribute he paid in this house to the late David Fife, the discoverer of Red Fife wheat, reflected a mind concerned with matters of national and even international importance. Indeed, in his own way, he was a devoted student of international affairs.

As I was turning over in my mind what I might say about our late colleague today, there came to my hand rather conveniently a letter which I received not long ago from a well-known Canadian who for some time has served this country in Europe and is now about to return here. The lines which I propose to quote were contained in a letter in which the writer expressed his own philosophy about Canada, a philosophy which it seems to me applies most appropriately to the late Senator Duffus. I quote:

Those of us who call ourselves liberal-democrats often believe that we are at home everywhere. But that is not the case. It is often our best faculties that wither first in foreign soil. If the finest people of every country left it to become missionaries elsewhere, then I am afraid every country would go to ruin. The essential thing is for us not to make foreign people over in our

image, but to understand them. There should be fewer disappointed missionaries in the world and more people who have learned to improve their own surroundings and to love what they do not understand.

I submit that that quotation, irrelevant as it may seem, serves to emphasize the distinguished service which Joe Duffus gave to his fellow countrymen, especially in the community in which he lived.

I join with those who have already spoken in extending sympathy to his widow and family.

Hon. Gray Turgeon: Honourable senators, I wish to join with my colleagues in saying a word of sympathy to the family of the late Senator Duffus. I worked with the late senator in the House of Commons, and our close friendship continued after we became members of this chamber.

As has been pointed out, the work of the late Senator Duffus was not limited to his own community. I take this opportunity to speak of the great developmental work now being carried on by his son, who has settled in the district of Terrace in the northwestern part of British Columbia. He is a very highly regarded citizen in that community, and I know he will be pleased, as will the other members of the family, to read the kind words that have been said here today in tribute to his father, the late Senator Duffus.

Hon. John J. Connolly: Honourable senators, in paying tribute to the memory of Senator Duffus I think it hardly necessary to mention the fact that he was of Irish ancestry. He was a kind man, he was a friendly man. Those of us who know a little about his career know at least that he was a most versatile man. As has been said by the honourable Leader of the Government, the honourable Leader of the Opposition and other honourable senators, our late colleague had a wide variety of interests. He described himself as a farmer, a businessman, and a builder. I think if we remember him more as a builder than anything else we will have the key to his career.

It is unnecessary to say to those who knew Senator Duffus well that he had a distinguished military career, and that he was very proud of his association with the armed forces. One had only to look at his erect carriage to appreciate how proud he was of that part of his life's work. It is interesting and perhaps of some historic significance to recall that he was one of the members of the Canadian contingent sent to Britain on the occasion of the Coronation of Edward VII.

As the senior senator from Ottawa (Hon. Mr. Lambert) has said, perhaps the greatest contribution of our late colleague was in the

realm of public affairs, at almost all levels of public life in Canada. He served his city as alderman, as mayor, and as school trustee, and he worked in sports organizations, farm groups and other community associations. In the 1930's he was most active in the political work of his province, and finally succeeded in winning a federal seat as member for Peterborough.

There was versatility in his career, and more than that. It was another parliamentary of Irish ancestry, by the name of Edmund Burke, who said:

Certainly it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence and the most unreserved communication with his constituents.

That, I think, was very true of the public career of Senator Duffus.

He was a Christian gentleman, a sincere and devoted son of his church and an exemplary family man.

I think his high sense of public service is not only a credit to the people from whom he sprang but it is a record which will be a source of pride, and, too, of inspiration for his family and the people with whom he was associated.

Hon. Arthur W. Roebuck: Honourable senators, it is impossible for me to add to the eloquent tributes that have already been paid to the late Senator Duffus, but I feel impelled to say something because I knew him for so long. I joined with him in the election of 1926, when I visited Peterborough at his invitation, and the two of us addressed the electors in a small hall in that city. He was then a young man and I was impressed with his vigour, the activity of his mind, his public interest, and the vital thought he had for the welfare of his fellow men, particularly in his home community. I had known him prior to that time for I do not know how long, and it was my attendance at various public functions with him which led to my going to Peterborough on that occasion.

I followed his career ever since, and while it is not necessary to go into detail I can say that I admired his energy, his vigour and his constant efforts in the public interest. In these later years we were colleagues in this house and very close friends.

And so, without attempting to add to the tributes that have already been paid, may I say that I join in them and I extend to his family my most sincere sympathy.

Hon. William H. Golding: Honourable senators, I would not like to let this opportunity pass by without saying a word in reference to our late colleague Senator Duffus.

I remember very well when he came into the House of Commons, in 1935. He was a

kindly man and we became very good friends. I got to know him exceptionally well. I knew what he thought about the problems of the country, of his church, and of the people generally. He was a real friend in the true sense of the word to the farmers of this country: to every organization that was doing anything for the farmers he was always ready and willing to give his time and energy. I always had a very high regard for Senator Duffus in every way. He was a really sound, sensible, Christian gentleman.

I wish to join with other honourable senators in extending sincere sympathy to the bereaved family.

Hon. James P. McIntyre: Honourable senators, this was the first intimation I had of the death of our colleague Senator Duffus. I sat with him here for the last fourteen years. I knew him intimately, and the longer I knew him the better I liked him.

I distinctly remember one occasion when I met him, quite accidentally, in Montreal. I said, "Joe, where are you going?" He replied, "I am going to the Royal Victoria Hospital for a check up." Then he asked, "Where are you going?" I said, "My wife and I are going to Boston." In the course of conversation I told him that I had had different check-ups, at the Royal Victoria Hospital, in Montreal, and at the Leahy Clinic in Boston, and I explained to him what they did at the Leahy Clinic. On the spur of the moment he cancelled his reservation at the Royal Victoria Hospital and, although I did not try to influence him in any way, the next morning he was on the train with me going to Boston. On the way there he casually remarked, "I have no American money and I don't know how I will be able to get along." I said, "Joe, I have some American money and I will share it with you." I gave him half of what I had. I did not see him for a year after that, but I received a cheque for the amount, plus the exchange.

Senator Joseph Duffus was a real gentleman, and I know that in saying this I am expressing the sentiment of every honourable senator in this chamber. I join with honourable members in extending sincere sympathy to his bereaved wife and family.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill A-3, an Act for the relief of Lorna Charlotte Brooks McConnery.

Bill B-3, an Act for the relief of Lorna Claire Bianchi Shields.

Bill C-3, an Act for the relief of Edna Hall Power Tannahill.

Bill D-3, an Act for the relief of Marion Ruth Bronfman Hoffer.

Bill E-3, an Act for the relief of John Fraser McLean.

Bill F-3, an Act for the relief of Rene Dauray.

Bill G-3, an Act for the relief of Clarence Ronald John Emberg.

Bill H-3, an Act for the relief of Elizabeth Joyce Cole Fraser.

Bill I-3, an Act for the relief of Joseph Rolland Forest.

Bill J-3, an Act for the relief of Bessie Holmes Saunders.

Bill K-3, an Act for the relief of Sarah Spiegel Wigdor.

Bill L-3, an Act for the relief of Joyce Western Dolan.

Bill M-3, an Act for the relief of Christina Muriel Jean Leard Kowal.

Bill N-3, an Act for the relief of Pauline Marguerite Dastous Bourgon.

Bill O-3, an Act for the relief of Marie France Jose Therese Fasbender Rousseau.

Bill P-3, an Act for the relief of Mary Klodin Freeze.

Bill Q-3, an Act for the relief of Zigurds Berzins.

Bill R-3, an Act for the relief of Tobia Betze van Lier Franken.

Bill S-3, an Act for the relief of Marthe Brais Laurence.

Bill T-3, an Act for the relief of Miriam Fridman Herszlikowicz.

Bill U-3, an Act for the relief of Cleo Joseph Ladouceur.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate continued from yesterday consideration of His Excellency the Governor General's Speech at the opening of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. Harold Connolly: Honourable senators, it is rather late in life for one to be making a maiden address, yet I find that I must revert to that winsome status if I am to make my voice heard in this chamber.

When, throughout the last session, I sat as mute as the harp on Tara's walls, there

were some who wondered why. A few, of course, concluded that, like all Nova Scotians, I am shy, unassuming and inarticulate. I confess to possessing some if not all of these virtues. Actually, however, there were other reasons why I had nothing to say, and among them are these. I am, in a sense, a fugitive from the legislative life of this country. I came into a chamber that was almost entirely unknown to me. I recall having been advised by many of my Scotch associates of other years that sometimes one is given credit for a wisdom one does not possess if one merely remains silent; and I thought perhaps there was something worth while in that advice. Actually I wanted to familiarize myself more clearly with the procedures and the activities of this chamber before saying anything. Now, however, the period of incubation is over, and so I inflict myself upon you, with your tolerance, for a brief period.

Before coming to the Senate I, in common with many other Canadians, knew very little about the activities of this chamber. I was aware, of course, of its purpose and function, but as to its activities I had only a superficial knowledge; and, frankly, I wondered what awaited me here. I want to say to you at the very outset that I have been pleasantly surprised.

To commence with, and in common with other recently appointed members of this chamber, I was received here with great kindness. Nowhere over the years have I encountered a finer reception. You may be interested if I tell you what, in addition, I discovered in this Senate of Canada. I found here men and women who were postgraduates from almost every sphere of human activity—from the professions, from labour, from business, from the educational life of Canada; and I found in them assets not possessed by too many people in any other legislative bodies across this continent. I found that these assets had been sharpened by experience and tempered by the years; and moreover, I discovered here something that to me was especially delightful, now that I am in the "sere and yellow" of my existence, that is, a political dispassion without which this chamber could not adequately operate.

I arrived, in fact, at two major conclusions: one, that most of the criticism that is directed against the Senate of Canada comes from people who know far too little about its purpose and its activities; second, that if—and I say "if"—there is need of Senate reform, one of the chief needs is that of adequate public relations, because, without appearing to be presumptuous, I must say that in this regard I have found a very serious deficiency.

I have sat in this chamber day after day, having regard occasionally to the galleries at both ends, and have seen very few in the visitors' gallery, and an almost complete absence of the gentlemen of the Fourth Estate who inform the people of Canada as to what goes on in this capital city. I wondered why. Without meaning to assess blame, my conclusion was this, that possibly, and probably, the fault rested with the Senate itself, largely because it has never endeavoured to secure a measure of the public relations that this great body is entitled to.

So I venture today to propose or to suggest that we of this body should seriously consider setting up a committee on public relations. I know it would have to be an unofficial body; but the good that it could do is beyond my power to describe. It would be able, for example, to convey to the people of Canada the mission of the Senate, the part that it plays in the public administrative process of Canada, and to properly inform the people of this country, not too many of whom read *Who's Who* or similar publications, as to the personnel that occupies the seats in this august assembly. I urge very seriously upon the Senate the advisability of setting up a committee of the sort to which I have just referred.

I am reminded too of something that to me, and to many here, is of particular importance. For the first time since Confederation the Atlantic provinces have a majority representation in a federal legislature. Whereas each of the great provinces of Quebec and Ontario is restricted to representation by 24 senators and the four great western provinces combined are limited to the same number, the four Atlantic provinces are entitled to a total of 30 senators. I think that imposes upon those of us who come from the Atlantic region a very definite duty and responsibility. Some time in the future I shall hope to discuss that matter more fully and, perhaps, point to the manner in which this representation can be made effective for the benefit of the people of that region.

I have no right to speak for Newfoundland, Prince Edward Island or New Brunswick, for there are men and women in this chamber more competent than I to discuss the aims, the responsibilities and the rights of those provinces. I will perhaps be pardoned, then, if I confine my remarks almost exclusively to matters concerning the little province in which I was born, Nova Scotia. I hope that you will grant me this privilege and that at the same time you will not think that this is a partisan or sectional speech or that it smacks of wailing and lamentation, for that is not my purpose nor my intention. My sole

purpose and intention is to say a few words for my section of this great country where, as is generally known, the economy is not up to the standard of the average Canadian economy.

Let me say, then, as kindly but as firmly as possible, that Nova Scotia and Nova Scotians are not looking for charity. They are not looking for anything they do not deserve, and if I am, as I am, a poor spokesman for that delightful province, you will at least concede me that its people are not looking for anything that is not justly deserved. The people of Nova Scotia are, in the main, as competent and as industrious as any other people in Canada. If they have suffered more acutely than others because of their partnership in the Canadian Confederacy it has not in any degree made them less proud of their Canadianism; for search as you will throughout the length and breadth of this country you will not find many people with a greater concept of nationhood than you will find on the little peninsula that I call home.

If, on occasion, we lift our voices to complain of existing inequities and to suggest remedies which will enable us to participate more fully in the nationhood of Canada, it is because we believe the Canadian people desire us to share more fully in the national growth of this country, and also because we believe that the stronger we in Nova Scotia become in the economic sense—and what applies to us, applies also to the other less well-off provinces—the greater the Canada of the future will be.

Honourable senators, lately we have heard a great deal and read just as much about the preliminary report of the Royal Commission on Canada's Economic Prospects. Like all such documents, it has evoked praise and criticism. I admit quite freely that my own reaction to it is one of mixed feelings. However, I question the ability of mere men to peer into the future.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Connolly (Halifax North): There are no gods among us, and, as we all know, there has not been a prophet upon the face of the earth for many centuries past. However, certain evidences of faith in that fallacy are perhaps somewhat offset by the reasoned logic of other sections of the report, and we would be wise, I think, to reserve full judgment until the complete report has been laid before us.

The references to the Atlantic region, however, are such that no one from that section of Canada can afford to pass them by without comment of some kind. I should like to point out that the Gordon Commission

was a fact-finding body. It is unfortunate, therefore, that it fell into the realm of fortune telling. It cost us a lot of money to have our palms crossed. It is even more unfortunate that although a special section of the preliminary report is devoted to the Atlantic provinces, the best decision the commission could arrive at with respect to the far eastern section of Canada was this—and I shall read from the report itself:

What is required is a positive and comprehensive approach to the problems of the Atlantic region. With this as the objective, it is suggested that the people of Canada as a whole might be willing to assist the people of the Atlantic provinces in discovering, developing and making the best use of resources in that area.

It says "might be willing". The report continues:

If it should turn out that there is not the necessary combination of resources in sufficient quantities to permit a substantial rise in living standards in the Atlantic region, generous assistance should be given to those people who might wish to move to other parts of Canada where there may be greater opportunities.

And here a note of sanity pervades the atmosphere:

But even if assistance is provided for those people who might be willing to move elsewhere, many people undoubtedly would prefer to remain where they are, despite the handicaps referred to.

That is a profound conclusion. The report continues:

People who so choose should at the same time be prepared to accept a different kind of life, or certainly life at a different tempo, and lower levels of income, though not necessarily a lower standard of living in its broadest sense, than people in certain other parts of Canada.

Honourable senators, I have tried hard to look upon this recommendation with a tolerant eye, but I must say that I have no alternative other than to believe that what is proposed for the people of the Atlantic provinces by this much talked about report is something in the nature of an economic concentration camp. It is hardly flattering to the people involved and it is no more flattering to the authority in this country which was responsible for the setting up of this royal commission.

Honourable senators, this commission which could easily peer into the future for 25 years to determine the trend of the whole Canadian economy, could not see 25 minutes, even 25 seconds ahead in the case of the people of the Atlantic region. Help them if you like, it says in effect to the people of Canada, but if there is nothing there, bonus them to move out. It is a most lamentable document and one to which the people of the country where I live will not take kindly.

I would remind the commission that humans are members of the upper animal kingdom

and not the lower animal kingdom; that it might be possible to move cattle and pigs in mass migration, but certainly not the people of a free country, and certainly not the people of Nova Scotia. It is true that we have a little province with an economy which does not compare with other sections of Canada, because nature was not so kind to us, but we have in that province the descendants of those who succeeded the original inhabitants.

Our people in Nova Scotia are of English, French, Scottish, Irish, and Hanoverian ancestry. I should have put the French first, because they came there first. However, that is the sturdy stock that is now represented in Nova Scotia. The foreign population, as it is generally called, is negligible. I want to stress that in our province the people, whether Christian or Jew, are first Nova Scotians, and that nothing short of a giant tidal wave could ever dislodge them from their habitations. Certainly, honourable senators, nothing in the nature of a report from the Gordon Commission, or any other commission, could do so. These people have their roots deep in the soil. There they are, and there they will remain. I trust we shall have no more nonsense about this business of migration. If there is a desire to help, let it reflect itself in the application of the remedies that are needed to cure our economic ills.

Honourable senators, I had resolved to be as dispassionate in a discussion of this matter as have been my honourable confrères who spoke before me. However, I have strayed from the path. I shall therefore endeavour to get back to what may be regarded as near normalcy.

My purpose in speaking is to propose several things which in my opinion, if entered into without loss of time, will greatly improve the economy of Nova Scotia and dissipate any possibility of mass migration. The first that comes to my mind is one of the great national natural assets of that province, namely, the Port of Halifax. Some may think that the Port of Halifax is a parochial issue, and some may assume that the improvement of the port could only benefit the city of Halifax. May I point out that a goodly part of the economy of Nova Scotia is dependent on the prosperity of the Port of Halifax. Not only the people of that city would benefit, but virtually everybody with a livelihood to make. In fact, almost everybody who is in business derives some measure of benefit from a successful Port of Halifax.

Honourable senators, prior to 1867 Halifax caught the attention of the Canadians of that day, who recognized it as one of the great

natural harbours of the world; they saw in it an escape route for the people of the central sections of this country, in the event of war; they pictured Atlantic liners operating almost like a ferry service from Liverpool to Halifax, and vice versa, as against the utterance of Joseph Howe, the Nova Scotian who said that entry into Confederation would result in grass growing in the street. Well, there is no doubt about the value of the Port of Halifax, and there never has been any doubt as to its importance in the national interest during times of war.

May I remind honourable senators that Halifax is the only city in Canada that has seen war at first hand, because upon the shores of that city, and upon the shores of the little peninsula of Nova Scotia, there were washed the first dead of World War I, and also of World War II. From that great national Port of Halifax in this New World there were sent out to the rescue of the Old World large convoys of men, munitions and foodstuffs. One day I flew out over a 92-ship convoy, and I wish I could describe to you the operations necessary, after the opening of the gates, by aircraft and torpedo destroyers, and the scope of motion required by these 92 ships, with the tankers in the middle and the ships three abreast. They were not expendable. If the gas or petrol had not gone to the other side disastrous consequences might have fallen upon us.

The Port of Halifax was vital in time of war. Is it to be virtually abandoned in time of peace? Well, for the past few weeks ships have been lying at anchor in the harbour of Halifax, unable to find piers or berthing facilities, because they are not available. Some may say this is only an occasional occurrence, but that is a type of retrogressive thinking that has operated for years against the economy of the Atlantic Region; it is the sort of thing that, on the part of officials of Government, can do more harm than many sessions of Parliament can repair. I say to you, honourable senators, that if the real potential of the Port of Halifax is to be realized facilities must be provided for the shipping of the world that wants to use the port.

Halifax, or Nova Scotia, does not own the Port of Halifax any more; the city and province lost its ownership some years ago when the National Harbours Board was set up. The port is entirely in the hands of an organization that is the result of a statute. I make no criticism of its membership, for it is composed of worthy members, who act according to their lights, but my criticism is that they do not see clearly or accurately or far enough ahead. I think that long ago they should have envisaged the potentiality of the Port

of Halifax and secured options in the north and in the south from one point to the other so that a giant sea wall with proper facilities could be built to extend from Pier 9 in the north end to Pier 20 in the south end. I urge that immediate attention be given to this, and I do not mean that in the sense in which it is usually applied. I do not mean that the matter should be taken under advisement or that it should be given careful consideration, because those terms are used nauseously. I ask them to appreciate the fact that simply because the harbour is in Nova Scotia it is not withdrawn from the Canadian economy, and further that the facilities the port so badly needs will have to be provided if the potential of this great harbour is to be realised.

Hon. Mr. Quinn: Hear, hear.

Hon. Mr. Connolly (Halifax North): I pass on to point number 2. I note, as no doubt all honourable members of this chamber have done, that the provisions of the Maritime Freight Rates Act have been under discussion for some time. The news in that connection is tempered, however, by the fact that, according to the newspapers—and I do not profess to know if they are correct—the intent is merely to arrange the present subsidies now existent so as to put more emphasis on transport of goods outside the province rather than between provinces. There is some merit in the scheme, but I suggest that by logical reasoning it does not go far enough. The Atlantic manufacturer who wants to sell in the central Canadian markets is at a great disadvantage because freight rates to these parts, where the centres of loading and population are, make it impossible for him to compete there. He requires not only a rearrangement of the present subsidies, but also—and I speak collectively now—a much greater additional subsidy to remove the existing differential.

I do not blame the railways for increasing freight rates. I sometimes question the wisdom of the Maritime Board of Trade in paying for expensive legal representation at hearings of applications by the railways for increased freight rates. The railways are in business for profit, and I see no reason why they should not get an equitable return for carrying freight to any part of the country. But, honourable senators, the Government of Canada is the agency which should not allow any section of the country to be victimized by freight rates. That is the position in which we in the Maritimes find ourselves today. We hear a good deal said about the unity of Canada with respect to race and religion. But there is another relationship, which perhaps is just as important, namely,

economic unity. Canada can never achieve real greatness while only three or four provinces are prosperous and the other six or seven live on a hit or miss basis.

Another field in which assistance can be given is that of tariffs. I suggest that there should be a complete examination by the Tariff Board, or some other responsible body, to determine which tariffs bear too heavily and unjustly upon the Atlantic area and to propose remedies to correct such a situation. I recall that several years ago a Nova Scotian manufacturer was endeavouring to expand his markets to Quebec and Ontario. He made a product, and still does, that compares very favourably with any made in this country. Because of tariff restrictions he was compelled to purchase the containers for his product from manufacturers in central Canada. He paid freight on the containers to Halifax, and when he shipped his product he again paid freight on the containers from Halifax to points in Quebec and Ontario. Imagine his chagrin when he discovered that the manufacturers of the containers had zoned an area in Quebec and Ontario within which they absorbed the freight rates, but they declined to extend that service to the customer in Halifax. Under such circumstances how can an eastern manufacturer hope to compete?

I am no lover of tariffs. I concede, however, that there may be circumstances under which they are necessary. But this I should like to say: When the Government of Canada lays down a tariff, the full benefit of that tariff should apply to all the people of Canada and not to a certain few only. An examination of the tariff structure would perhaps reveal many inequities which, if corrected, would greatly assist the Maritime economy.

Now honourable senators, I come to my final point, that of risk capital. We in Nova Scotia are not a wealthy people. One of the reasons why we have what might be called a backward economy is the lack of risk capital. The Government of the day is at the present time endeavouring to propagate a scheme by which it would match dollar for dollar of risk capital put up by any agency within the province. This scheme would assist persons already in business, and enable those who desire to get into business to do so. It indicates the extremity in which we find ourselves.

When the Industrial Development Bank was set up some years ago we had hopes that it was the answer to our problem. But what a great disappointment we met with. I have in my hand the annual report of that bank for the year 1956, and on the flyleaf I read this:

Whereas it is desirable to establish an industrial development bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability

of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained, by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprises . . .

As I say, we regarded this bank as a ray of hope. Here, we thought, was a bank set up by a wise Government, which recognized that certain disabilities exist in some sections of Canada which do not obtain elsewhere, and authorized the bank to assist the economy of those areas which need assistance. Now, there is nothing wrong with the intent and purpose of the Industrial Development Bank, as exemplified by the act under which it was set up, but there is a great deal wrong with its operations. Its operations parallel those of the chartered banks so closely that it fails to provide worthwhile assistance to those sections of Canada where it is badly needed.

In reading the report of the bank I note that it points with pride, and perhaps justifiably so, to the fact that it had a profit last year of \$1,322,210, and that its reserve fund now stands at \$8,706,000. While there is nothing wrong with making money, I submit that was not the intent of the Government which set up this bank. The thought behind it was that this organization would do a job for people scattered throughout many sections of the country who now find themselves unable to finance their needs because of the rigid regulations of the standard banks. This financial institution seemed to signify a return to the old-fashioned system of credit, when a man's record and competency were the determining factors. But not so.

Lastly, as a means of implementing the Atlantic economy, I suggest a redrafting of the Industrial Development Bank Act, so as to make risk capital available where it is most urgently needed, in the less prosperous provinces of Canada. I suggest further that the redraft be so clearly and explicitly worded that nothing will be left to the interpretation of well-meaning but unknowing officials who, unwittingly, oftentimes do more harm than many sessions of Parliament can repair.

Honourable senators, you have been most indulgent. If I have spoken with undue feeling I hope you will attribute it to the fact that, like you, I am very fond of the province of my birth and of its people. I do not argue that the people of Nova Scotia are greater than those of any other part of Canada. But to me they have a sweetness and a charm that are unexcelled. They have a way of life which they would not exchange for all the material things the world could offer them. I would not be happy if I had to live too long away from that little peninsula.

I would not have you think that all the economic disabilities of Nova Scotia are the fault of someone else. We ourselves must assume responsibility for some of them. We do assume that responsibility. However, we ask that those disabilities not of our own making be removed from us; that, unshackled, we may proceed to that place in the sun which is our proper destiny and from which vantage point we can make a more adequate contribution to a still greater Canada.

Hon. Senators: Hear, hear.

Hon. Mr. Reid: Honourable senators, may I be permitted to ask my honourable friend a question solely for the purpose of getting information? Does he know the number of hours or days the wise men of the Gordon Commission spent in and around Halifax before they put their fortune telling on paper?

Hon. Mr. Connolly (Halifax North): I would not like to be explicit in an answer to that question, because I might do the commission an injustice. If I have already done them an injustice, I would not want to add to it.

Hon. Mr. Pratt: If I may be permitted, I think I can answer the question of my friend from New Westminster (Hon. Mr. Reid). The preliminary report indicates that the hearings of the commission at St. John's Newfoundland took place on one day only; the Nova Scotia hearings, held at Halifax, took three days; and in all, the hearings for the four Maritime provinces occupied six days. Had these gentlemen spent longer in the Atlantic provinces they might not have felt as confident in the role of fortune tellers—to use my friend's expression.

Hon. Mr. Quinn: They were there long enough to arrive at more sensible conclusions.

Hon. Mr. Pouliot: Each one was equipped with a lead pencil and a pad.

On motion of Hon. Mr. Horner, the debate was adjourned.

DIVORCE AND ANNULMENT

BILLS—SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill V-3, an Act for the relief of Elizabeth Mabel Freestone Lachance.

Bill W-3, an Act for the relief of Marion Campbell Stewart.

Bill X-3, an Act for the relief of Jean MacRae Barnett.

Bill Y-3, an Act for the relief of Anita Roberge Fournier.

Bill Z-3, an Act for the relief of Louise Yvette Ruth Dumais Jacobson.

Bill A-4, an Act for the relief of Noella Jacques Primeau. (Annulment).

Bill B-4, an Act for the relief of Joan Perl Finfer Weber.

Bill C-4, an Act for the relief of Jacques Alfred LeGault.

Bill D-4, an Act for the relief of Rina Ciril Reich Nutovic.

Bill E-4, an Act for the relief of Harold Ernest Woodrow.

Bill F-4, an Act for the relief of Winnifred Matthews Forrester.

Bill G-4, an Act for the relief of Clara Price Kimmel.

Bill H-4, an Act for the relief of Margaret Nelson Sime Jackson.

Bill I-4, an Act for the relief of John Howard Burland Webb.

Bill J-4, an Act for the relief of Katharine Puobis Dynes.

Bill K-4, an Act for the relief of Edward Kotapski.

Bill L-4, an Act for the relief of Julija Rinkeviciute Strelis.

Bill M-4, an Act for the relief of Samuel Weniger.

Bill N-4, an Act for the relief of Marie-Yvette Laurette Petit Levesque.

Bill O-4, an Act for the relief of Lennard Gordon Spurrell.

Bill P-4, an Act for the relief of Marjorie Edwina Elizabeth Eke Stanley.

Bill Q-4, an Act for the relief of Joseph Jacques Robert Mackay.

Bill R-4, an Act for the relief of Sylvia Slutsky Steinhart.

Bill S-4, an Act for the relief of Margaret Frances Dearmond Bonner.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

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

THE SENATE

Tuesday, February 12, 1957

The Senate met at 8 p.m., the Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

Routine Proceedings.

CANADIAN WHEAT BOARD BILL

FIRST READING

A message was received from the House of Commons with Bill 9, an Act to amend the Canadian Wheat Board Act.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

PRIVATE BILL

ALLIANCE NATIONALE—FIRST READING

Hon. L. M. Gouin presented Bill T-5, an Act respecting Alliance Nationale.

The bill was read the first time.

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

Hon. Mr. Gouin: On Tuesday, February 19.

DIVORCE AND ANNULMENT BILLS

FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill B-5, an Act for the relief of Pauline Jean Stoakley Ramsay Porter.

Bill C-5, an Act for the relief of Allan Graham Bennett.

Bill D-5, an Act for the relief of Chana Paya Trifskin Cupchik.

Bill E-5, an Act for the relief of Victor Edward Drembo.

Bill F-5, an Act for the relief of Doris Silversides Harper.

Bill G-5, an Act for the relief of Lily Claiman Neiss.

Bill H-5, an Act for the relief of Abraham Sztajnhart, otherwise known as Abraham Steinhart.

Bill I-5, an Act for the relief of Elizabeth Hill Silver.

Bill J-5, an Act for the relief of Gaston Bedard.

Bill K-5, an Act for the relief of Mary Tuskewich Gashler.

Bill L-5, an Act for the relief of Muriel Gamache McCrea.

Bill M-5, an Act for the relief of Maitabel Horwitz Johnson.

Bill N-5, an Act for the relief of Laurette Lacombe Paradis.

Bill O-5, an Act for the relief of Claude Christopher Richard Luard.

Bill P-5, an Act for the relief of Joseph Elie Claude Lacelle.

Bill Q-5, an Act for the relief of Muriel Audrey Connor McLeod.

Bill Q-5, an Act for the relief of Muriel Ragna Erickson Hunt.

Bill S-5, an Act for the relief of Francois Richer LaFleche, otherwise known as Francois Pierre Patrice Joseph Richer LaFleche.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

THIRD READINGS

Hon. Mr. Roebuck moved the third reading of the following bills:

Bill V-3, an Act for the relief of Elizabeth Mabel Freestone Lachance.

Bill W-3, an Act for the relief of Marion Campbell Stewart.

Bill X-3, an Act for the relief of Jean MacRae Barnett.

Bill Y-3, an Act for the relief of Anita Roberge Fournier.

Bill Z-3, an Act for the relief of Louise Yvette Ruth Dumais Jacobson.

Bill A-4, an Act for the relief of Noella Jacques Primeau. (Annulment).

Bill B-4, an Act for the relief of Joan Perl Finfer Weber.

Bill C-4, an Act for the relief of Jacques Alfred LeGault.

Bill D-4, an Act for the relief of Rina Cirl Reich Nutovic.

Bill E-4, an Act for the relief of Harold Ernest Woodrow.

Bill F-4, an Act for the relief of Winnifred Matthews Forrester.

Bill G-4, an Act for the relief of Clara Price Kimmel.

Bill H-4, an Act for the relief of Margaret Nelson Sime Jackson.

Bill I-4, an Act for the relief of John Howard Burland Webb.

Bill J-4, an Act for the relief of Katharine Puobis Dynes.

Bill K-4, an Act for the relief of Edward Kotapski.

Bill L-4, an Act for the relief of Julia Rinkeviciute Strelis.

Bill M-4, an Act for the relief of Samuel Weniger.

Bill N-4, an Act for the relief of Marie-Yvette Laurette Petit Levesque.

Bill O-4, an Act for the relief of Lennard Gordon Spurrell.

Bill P-4, an Act for the relief of Marjorie Edwina Elizabeth Eke Stanley.

Bill Q-4, an Act for the relief of Joseph Jacques Robert Mackay.

Bill R-4, an Act for the relief of Sylvia Slutsky Steinhart.

Bill S-4, an Act for the relief of Margaret Frances Dearmond Bonner.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate continued from Thursday, February 7, consideration of His Excellency the Governor General's Speech at the opening of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. R. B. Horner: Honourable senators, I sometimes think that honourable senators may be amazed, because of my limited ability to express myself, that I persist on occasions of this kind in presenting my views, but I believe that, in the light of the gravity of world conditions today and of the state of things even in our own country, it is a duty to give voice to one's ideas and beliefs.

At the outset I would add my congratulations to those offered to the honourable gentlemen who moved and seconded the Address. When I read the remarks of the honourable senator from Montarville (Hon. Mr. Bois) I recognized at once his deep knowledge of and interest in farmers and farming. We expected, of course, a great deal from the honourable senator from Kamloops (Hon. Mr. Smith), because he spent some 20 years in the great province from which I come, and we were not disappointed.

A great problem, if not the main one before the Canadian people today, is inflation. There is much difference of opinion about the right course to follow, and frankly I am not at all satisfied that the action which is being taken is doing anything other than penalizing small businessmen and farmers. I cannot see that it has had the smallest

preventive effect. Inflation is with us, and without it probably we could not cope with our enormous public debt. But the pouring forth of statistics concerning our gross national product and the great prosperity it supposedly indicates does not impress me; such figures are no more than a house of cards. We read in the press that purchases on credit—in which I do not include mortgages on homes and industrial buildings—have risen to nearly three billions of dollars; they have doubled in the last few years. The other evening someone told me that a friend of his who holds a position in one of our largest retail outlets was approached by a man who asked for a credit of \$500. He did not think that the applicant was entitled to it, so he took him to the manager. The manager's comment was: "Well, we might as well give it to him. If we don't, somebody else will."

When is all this debt going to be paid? That is what alarms me. It may be argued that more people own their own homes than ever before, but how many of them have barely been able to scrape together the down payment and will be paying the balance over the next thirty years? However, if economic conditions change and these people become unemployed, I suppose the Central Mortgage and Housing Corporation will take the attitude that it is better to have its buildings occupied than empty, whether or not it receives any revenue from them.

I have been very much interested in the many fine speeches that have been made during this debate. I was particularly impressed by the remarks of the honourable senator from Halifax North (Hon. Mr. Connolly). I also enjoyed those of the honourable senators from Medicine Hat (Hon. Mr. Gershaw) and Kingston (Hon. Mr. Davies), and of course we always enjoy hearing the honourable gentleman from New Westminster (Hon. Mr. Reid).

We all prefer to talk on subjects about which we have a special knowledge, and the seconder of the motion for the Address, the honourable senator from Kamloops (Hon. Mr. Smith), spoke about Canada's motorists and truckers, stating that they pay a very large proportion of taxes at municipal, provincial and federal levels. When I left western Canada this winter the administrative officers of the villages, towns and cities out there were seriously considering the imposition of a special automobile tax. It is almost impossible for these small communities to borrow money because of the high rate of interest, and on top of this they are faced everywhere with rising administrative costs. Among other things, they have to pay for police and fire protection,

and maintenance of the highways leading in and out of their localities. It seems to me that a special automobile tax may be the only solution to their problem. When I was reeve of my municipality I argued many times with the provincial government authorities that a larger share of the motor vehicle licence revenue should be paid to the municipalities to assist them in meeting their administrative costs. However, up to the present time that has not been done.

The honourable senator from Medicine Hat (Hon. Mr. Gershaw) expressed alarm at our highway traffic death toll. Hardly a day goes by but we read about somebody being killed on the highways. Automobile manufacturers change their car designs every year in order to sell their products, and they keep making the cars wider, lower and more powerful. The law in most of our provinces imposes a speed limit of fifty miles an hour, so why in the world do these manufacturers produce cars of 250 horsepower or more and capable of going well over a hundred miles an hour? It seems to me that only police cars should be geared for these higher speeds. Recently I read that two youths were chased by a police car at a speed of 100 miles an hour through a settled community. It was only a miracle that somebody was not killed. It is the height of folly that something is not done to curb speeding on our streets and highways. The Trans-Canada Highway near Brandon, Manitoba, has a slight curve but the road is wide enough for four vehicles to pass abreast. One night last fall five oil men in one car, and a man and his wife in another, were involved in a collision. All were killed instantly except the father of the four children and he was so seriously injured that he spent a long time in hospital and probably will never be well again. No one was able to explain the cause of the accident but someone told me that the speedometer of one car registered 80 miles per hour. There was some evidence, therefore, that it had been travelling at a terrific rate of speed.

Honourable senators, something was said by both honourable leaders of this house about reform of the Senate. I was grateful to the Prime Minister for the appointment to this house of our dear friend the late Senator Hackett, and I deeply regret he was with us for only a very short time. If the people are to have confidence in this chamber, I think there should be a rule of law that at least 25 per cent of its members must belong to a different political party than that of the majority. Of course, I know there are outstanding examples of men of independent thought here. I recall that on at least two occasions, and on one occasion in particular,

I was instrumental in asking for a vote. There had been a rumour that two independents were appointed to this chamber, and I was somewhat curious to find out just how independent they were. On those occasions there was an absolutely faithful vote along party lines, just as faithful as if this had been an elective chamber; it was a vote, as the saying is, at the "crack of the whip". That is scarcely good enough for the Senate. I think that if my suggestion were followed the people of Canada would have greater confidence in this chamber.

I made a few notes on matters I have spoken about on previous occasions, and one is the opportunity a senator has in a debate of this kind to say something about the conditions in his own province. In the province of Saskatchewan we have about half of all the agricultural land in the dominion. We are, so to speak, in the centre of the prairies. The Alberta farmers have an advantage over us, as a great deal of shipping now goes to the Pacific coast; and compared with the Manitoba farmer, we have a longer haul on shipments to the east; so on shipments to the west and to the east we are under a handicap because we have to pay extra freight. It seems as though a determined effort is made to place my province in the position of the poor relation, for besides having to pay higher freight rates we receive lower prices for our cream, butter, hogs and other produce.

Now, our great hope in Saskatchewan was that we would be able to use the Hudson Bay route for shipping wheat. The British millers who recently made a trip here said they would prefer to buy wheat through Churchill because they got a better grade at lower cost. But how do we in Saskatchewan benefit by that arrangement? Notwithstanding the fact that all down through the years we have received less for our grain than the Manitoba farmers have, the Wheat Board now prices wheat at ten cents a bushel higher through Churchill. But they put that extra ten cents into the kitty and we get no benefit from it.

The Minister of Trade and Commerce in a speech he made some time ago said that about 17 million bushels was the limit that could be shipped through Churchill. Now, that is not a fact. There is no limit short of 100 million bushels, as long as there are adequate storage facilities and the ships will come in there. I have talked to the captains of some ships myself, and I know they like to come to that port. Of course it is not easy to secure shipping through Churchill because of the problem of getting inbound cargo. But I believe a great deal of the materials which go into the building of the pipe lines in western Canada could come as

ballast from England, where there is at present one of the best markets for our grain and other products.

I have in my hand an article, headed "Big Boost for Grain Elevators" which appeared recently in the *Montreal Gazette* and clearly indicates the attitude of the businessmen of that city to competition from Churchill. It reads:

Grain storage space in Montreal harbour will be at least one-third greater by 1958 than it is today, it was announced yesterday. The increase will boost the port's capacity to more than 20,000,000 bushels and a possibility exists that even more space may be added later at downriver ports.

E. J. Desrosiers, Jr., president of the Montreal Corn Exchange Association, said "the news is welcomed as evidence that Montreal will continue to retain its dominant position as a grain shipping port".

He told the group's annual meeting that a 1,500,000-bushel addition will be made to Elevator B. Elevator 3 will be enlarged to handle another 4,000,000 bushels, as well.

Despite problems at the start of the navigation season last year, 118,000,000 bushels of grain passed through Montreal, compared to 83,000,000 bushels during 1955.

More would have been handled had 16,000,000 bushels not been routed from Churchill, Manitoba, Mr. Desrosiers said. That movement established a new record and was made at the expense of St. Lawrence River ports. Present bookings indicate the Churchill movement will be even greater this year.

I can understand the concern on the part of those persons who are interested in the shipment of grain through Montreal, but I say we in Saskatchewan are entitled to some consideration.

Some difficulty is being experienced by the farmers of western Canada in the marketing of livestock. Farmers in the east who specialize in the growing of, for instance, sugar beets and tomatoes supply canneries under contract. I believe even the tobacco growers today have a guaranteed quota on which they are assured a ready market at a fixed price. But the farmers in western Canada have none of these benefits. We hear it said that we should go into hogs or beef cattle. But it takes time and a lot of money to develop that type of farming. True, our hogs and beef cattle are not as perishable as tomatoes and sugar beets, but unless there is a ready and profitable market for the livestock it can ruin a farmer just as quickly as perishable products can. I believe the time will come when the farmer who raises feeders for beef will have to adopt standard business practice, and have a contract with the packer to take his stock at a fixed price. With such an assured market he could go to his bank and make his financial arrangements beforehand as business people do. But as the situation now exists the position of the farmer is so uncertain that he cannot make his commitments beforehand.

The Speech from the Throne said the Senate would be asked to set up a committee to study land use, and the committee has now been appointed. Well, honourable senators, I hope it may be able to make some helpful recommendations. But I am not one of those who favour big farms. I see by a recent news item that some of the prominent and more prosperous farmers of Ontario agree with my thought, that it would be a sorry day for Canada if her small farms were absorbed by bigger farmers carrying on large single operations. I believe that only certain sections of the Prairies are ideally suited for that type of farming. Even in the great northern part of the Prairies, where there has been heavy production of livestock and some grain grown, the people favour the modest-sized, family farm.

I think we in Canada are drifting toward the wrong idea that money represents wealth. More and more people have come to think that if you make a lot of money, and so increase the standard of living, that constitutes wealth. I say this whole concept of wealth is entirely wrong. During the remarks of the honourable Leader of the Government (Hon. Mr. Macdonald) in this debate, I posed the question of why it was that full-scale inflation did not ruin Germany. As yet no one has given me a complete answer to that question, not even a professor of economics in one of our largest universities. However, I think the answer in part at least is found in the frame of mind of the people of that country. Certainly we found during the Second World War how vicious the human being can be. But all the viciousness was not confined to Germans. What about the Russians, and the unearthing of some thousand Polish officers?

I come back to my proposition, that the real wealth of a country is the character of its people, and their ability and willingness to work. I have not the slightest fear for the future generations of Canada, for my children or my grandchildren, just so long as we do not entirely destroy or give away our natural resources. Our country abounds in natural wealth, but paper money is not wealth at all.

So, the question stands: how was Germany able to survive inflation and at the same time very nearly defeat the whole world? Besides that, she is today in the act of tearing down old and ruined buildings and replacing them with structures of glass and steel, and constructing one of the finest highways the world has known.

Italy too has done great things. If Canada and other members of the League of Nations had taken the action that then should have been taken we might never have had a Mussolini, or a Hitler, either. But these dictators

were allowed to go their own way and the league broke down. I wonder if we are witnessing a similar breaking-down at the United Nations today.

On this question of what constitutes wealth, I would say that we are barking up the wrong tree entirely. The honourable senator from Kingston (Hon. Mr. Davies) told us an interesting story of the training he received as a young man. Well, I can tell a bit of personal history too regarding training that I received as a boy on a farm 50 or 60 miles from this city. The school we went to was located a mile and a half from our home. One day my father bought some little pigs from a farmer a mile and a half the other side of the school, and my younger brother and I were told to go and pick up these little porkies after school. We had brought with us to school that morning jute bags—we call them sacks in western Canada—to carry the pigs home in. I may say we had horses that could have been used to do this chore, but it was considered good training for youngsters. The farmer took us to the pen where the pigs were, and when I saw the little fellows I asked "Which one can I have?" He said, "Take any one you like," so I immediately pointed to the biggest one, which would pass as a bacon-type today. When he saw the one I picked out he said, "You little scoundrel, you are taking the best pig I've got". Eventually we landed the pigs in the sacks and started for home, through the woods. A bad thunderstorm came up, and my brother was having a hard time handling his bag, it was almost touching the ground. I wasn't any better off, and I was thinking that I should have taken a little lighter pig, because it felt pretty heavy before we had gone the three miles. Back home my mother was uneasy and anxious, knowing that we were out in the storm, but everything turned out all right. I just wanted to mention that incident by way of showing the mighty good training we got. I honour my father for having taught us to work.

The other day the Leader of the Government (Hon. Mr. Macdonald) seemed to question the statement by the Leader of the Opposition (Hon. Mr. Haig) that our production costs are high. Well, every manufacturer in the country is complaining that our costs are too high for us to compete in the export market. I read an article in the *B.C. Lumberman* which stated that labour and other costs are so high that the export market for lumber is being curtailed. And high costs are restricting the domestic market for some products. I read in the press the other day that Italian textiles are being sold in Canada at low prices and making

heavy inroads into the Canadian market, thus adversely affecting the output of Canadian textile mills. So serious has the situation become that even the President of the United States said that he may possibly be forced to set wage levels in order to avoid a recession or depression. And no less a person than former President Hoover made a statement recently to the effect that conditions today looked to him very much like those of 1929, and he remarked that he would not like to see them return for he did not want to go through another depression like that of the early thirties. Honourable senators, I only hope that my fears as to what may happen are not well founded.

Now I want to say something about the Trans-Canada Pipe Line. How is it that we always seem to be so ready and willing to give away our heritage? As I remarked last year, there is no safer place for our oil and gas than where it is, in the ground, and it must always be remembered that these are wasting resources or wasting assets. Perhaps I will not see it, but our children will no doubt see the last of these wasting natural resources of oil and gas. Honourable senators no doubt read the figures published in a recent bulletin put out by the Bank of Nova Scotia on the amount of oil reserves in the world, and showing that reserves in Canada amounted to a mere one per cent of the total.

In spite of the fact that the production of oil and gas in Canada is steadily increasing, it seems strange, now that all farmers are equipped with gasoline-burning machines, that the oil companies should decide to raise the price of their products one cent a gallon. As a matter of fact, the prices of their products have been going up one cent a gallon occasionally of late. Diesel fuel and all other fuels are increasing in price, and there is no justification for that other than the fact that these people have control of the situation and are going to exercise that control.

The *Calgary Albertan* ran an article recently pointing out that Canada should receive a price higher than 25.8 cents per thousand cubic feet for its natural gas delivered at the United States border, and suggested we could get more than 30 cents. There was some difficulty about financing the project and the company had to renegotiate the contract. The renegotiation took the form of asking the Alberta gas producers to take a lower price for their gas at the wellhead, and it was said that if they did not the pipe line could not be financed. Honourable senators, I still maintain that the whole undertaking could have been accomplished by the use of Canadian money. This,

in part, is what the Calgary *Albertan* said in its issue of January 11:

It has not been explained why Trans-Canada renewed its 25.8 cent contract with Tennessee without exploring the chance of getting a better price.

No doubt in due course the pipe line will be moving natural gas to the market in Montreal and Ottawa. But when this is done, there will be something else to consider: what about the people in those cities who are now engaged in supplying wood, coal and other fuels for heating purposes? The sale of western gas in eastern Canada is bound to affect them.

I know that in the northern half of Saskatchewan thousands of farmers would be in a much better position today if they had continued to farm with horses, and I am sure the same thing is true of many farmers in other parts of Canada. My own boys may not agree with me, but I know that my farm was operated at less expense and I grew more grain when I used horses on the farm than since I started using a tractor.

I would like to point out that farmers are buying distillate oil and other fuel to run their farm machinery with, but if more horses were in use on prairie farms they could be fed our coarse grains and to a great degree that would solve the problem of what to do with our feed grains. To clear some of the land on the prairie a great deal of money and hard work is required. I refer to some of the low-placed land which at one time was covered with bush, but later on prairie fires burnt the tops off the bush and the willow roots remained, and that made it a hard proposition to clear that land for cultivation. Working with horses, these clumps of roots can be cut through and broken up, but with a tractor this is not possible. Other objections to the tractor are the high initial price and the cost of keeping it in repair. I have here a report of a very interesting address presented at the Light Horse Show in Calgary, and circulated over the radio. It states:

Horses did most of the heavy slugging in converting this mid-west to farms—of course they did. Now, they seem to have lost the place of essential importance they once enjoyed—but they haven't lost their friends and admirers. At the annual Rangemen's Banquet at Calgary in July the toast of the evening was to the Cowboy's Horse and several hundred ranchers and pioneers stood to pay their respects. It was a solemn and lovely moment. And anybody supposing that interest in horses is a thing of the past, should visit the ring-side at Brandon exhibition when the draft horses are being judged or attend a spring horse show at Regina or other western city. When Lord Lovat was here in 1952 he said with evident feeling: "I can see that you Canadians will never quit the horses."

Well, in all too many cases they have "quit the horses", and you will see them

struggling with a tractor, trying to thaw it out, shovelling it out of the snow, meeting bill after bill of expenses—all of which could have been avoided by the use of horses. Also, though everyone will not agree with me, it is a greater pleasure to work with horses. The happiest hours of my life were spent behind eight horses hitched to a three furrow plow, fourteen inches to each furrow. This outfit would plow twelve acres a day, and with it I was as happy as a lark, whereas had you placed me on an engine you might as well have taken me down to the village lock-up. Some may find pleasure in diesel tractors, but they have their perils; one of them caused the death of a man in our district from carbon monoxide poisoning. It was threshing time, there was very little air moving that evening, and as he sat beside the engine with his eyes closed his fellow workers thought he was taking a rest, but he was lying in the path of the exhaust, and when they went to arouse him he was dead.

On the question of the proposed Canada Council and grants to universities, everyone may not like what I have to say. While, perhaps, I would not oppose the whole scheme, I certainly object to the immediate grant of so large a sum of money, and the suggestion of the Prime Minister that it is being provided from succession duties on particular estates is about the most ridiculous I have ever heard. In the first place, it is as much a contribution from my income tax as from anyone else's; also, the fortunes represented in these duties were contributed through purchases by the Canadian people of steel and other products made by the owners of these large estates.

Perhaps, as the years go by, our universities will provide a somewhat different type of training from what is given today, and thereby will equip a man to make his way in whatever position he may find himself. In too many cases, I am sorry to say, the student's academic training seems to put him entirely out of contact with practical affairs. I remember a boy from my district, a university graduate, who during the difficult times in the thirties accompanied a well-known lady, a former member of the Saskatchewan Legislature and now, I believe, editor of the *Tribune*, a leftist paper, who was holding a meeting at Blaine Lake. I took him to task severely. I said: "Your father and mother, without the advantage of any university education, proved themselves good citizens, established a nice home, and were able to give you educational advantages they never had; yet the best you can do as a result of this training is to cause trouble. If, instead of spreading propaganda, you would return to the farm and work it, you would

enjoy the benefit and the satisfaction of the education you have received, and become useful and helpful to yourself and to others." Whether my remarks had any effect, I do not know, but at least he desisted from his extremist activities.

In discussing cultural matters I may be getting on dangerous ground. But I have known men who, though they could not write their names, were perfect gentlemen, and I have met other men with university degrees who were boors of the worst kind. I recall especially a man who for many years was a foreman in lumber camps, and although he had little formal education he impressed me with his ability to get along with others and do a good job. As honourable senators know, not everybody can handle crews up to 150 men. He spent the greater part of his time in the bush, and the entire drive each spring was supervised by him. When he retired, in his late seventies, he came to Blaine Lake. As he was watching me drive one team of horses and lead another, he asked if I needed a man. I said I did, and I hired him. He was a perfect gentleman, he was intelligent, and he could talk well. He told me interesting stories about cruising for timber. He had done a great deal of it in different limits for the Edwards Lumber Company, and, strange though it may seem, he could compete with men who were university graduates in this type of work and beat them hands down. Though he had clerks in his camps, he had estimated so many million feet of lumber at one time and another, and had the whole picture so firmly in his mind, that estimating timber was second nature to him.

At this point may I put myself right in one respect? I recently received quite a sarcastic letter from a resident in the riding of the honourable senator from New Westminster (Hon. Mr. Reid). It was based on a press report that I had opposed assistance for the carriage of feed grain from the Prairies. If I gave that impression, it was not my intention. I do not and did not oppose a reduction of freight rates on grain from the Prairies. The writer suggested that I know very little about British Columbia. It may astonish him, but I know quite a lot about that province. In my travels through Vancouver Island and the mainland of British Columbia I found a few farmers who sell grain, and they expressed opposition to cheap freight rates cutting into the price of their products. Incidentally, a lot of good grain is grown in Creston, B.C., which has an elevator or two, and oats are produced on the higher ranges of the Cariboo country. I am all in favour of these farmers getting the best rate possible.

I am opposed to the Government's method of contributing \$50 million to university education. If the Government is anxious to help out our young people let it reduce the income tax on our young married people with small incomes, and for goodness sake let these people invest their own money rather than invest it for them. There is really no limit to what the Government will spend—\$10 million here and \$100 million there—but it keeps putting its hands into the Canadian taxpayers' pockets until they haven't a dollar left to invest in their own natural resources. That is my chief complaint.

I venture to say that the St. Lawrence seaway is going to cost about \$300 million more than originally estimated. Now they are talking about what tolls will be charged on the seaway, and in this connection I would like to read an extract from the *Toronto Telegram* of Wednesday, December 5, 1956. It is datelined Washington, and reads:

The tricky question of what tolls will be charged on the St. Lawrence seaway is coming up for discussion on Thursday at a meeting in New York of the Canadian and American seaway authorities. Working out a solution will take time and patience. In principle it is simple: tolls should be high enough to ensure amortization of the seaway costs chargeable to navigation and low enough to attract enough shipping to provide low competitive freight rates for the inland market.

But what might have been a fairly simple exercise has been complicated by the American decision to make the seaway a subsidized route for American flag vessels trading with northern and western Europe.

This body blow to free enterprise and international competition was public recognition of the thesis that the American merchant marine has been clamped to the treasury for so long that it could not survive in competitive conditions. This year's budget will subsidize the industry to the tune of \$100,000,000.

The formula authorizing federal subsidies is the declaration that a shipping route is "essential to the trade and economy of the nation". This was promulgated for the Great Lakes-northern and western Europe route last February 7.

It means that every trip made by an American freighter into the Great Lakes will be subsidized up to \$750 a day. This is in addition to an original building grant of about 40 per cent of construction costs, and a 50 per cent cargo preference.

The American subsidized fleet consists of 306 vessels, none of which was built for Great Lakes conditions. In fact no American ocean-going lines at present operate on the Great Lakes. The Maritime Administration subsidy is therefore an attempt to bite into a field which since World War II had been cultivated by specialized vessels of German and Norwegian registry, plus a substantial number flying the flags of Sweden and The Netherlands.

This state-subsidized grab sorts strangely with the professions of devotion to free enterprise which the United States makes for itself and recommends to others. The Maritime Administration's subsidies are, in fact, one of the most unpopular of all American protective measures, and evoke a continuous volume of criticism from all shipowning countries.

It contrasts markedly with Canadian policy, which has refused to discriminate against foreign

flag ships or to subsidize Canadian flag ships. The subsidy threatens to interfere with the Canadian policy of maintaining a freely competitive field for shipping. Subsidized American ships on the Great Lakes will be calling at Canadian ports, participating in the movement of Canadian cargo. The Maritime Administration fact-sheet called attention to the point that there would be "a substantial amount of cargo available at Canadian ports in addition to cargo moving through United States ports on the Great Lakes".

There is the further prospect that a considerable volume of goods produced for export by Canadian factories controlled by American firms will be directed to American ships.

Talk about controls! This means that goods produced by Canadian subsidiaries of American companies will be carried on American ships.

These factors might reduce by more than 50 per cent the calls of other foreign flag vessels at Canadian ports west of Montreal and nullify many of the benefits of the Canadian open-sea policy.

Aside from the extortionate rates which dominant carriers tend to charge, such American domination of Great Lakes shipping would add to the present dangerous imbalance of Canadian trade. Shipping services are an export by the country rendering them. Subsidized American shipping lines on the Great Lakes would be another subsidized American export to Canada, which is already struggling with a \$1,000,000,000 imbalance in its trade with the United States. On the contrary, the use of other foreign ships to pick up cargo puts Canadian dollars into their hands and brightens the prospects for Canadian trade.

That is the position we find ourselves in with respect to this great St. Lawrence seaway. All the time and money we will have spent on it will be chiefly for the benefit of that great country to the south of us. I for one have been doubtful about the course that we have been taking in some of these undertakings.

Honourable senators, I have talked at much greater length than I had intended, but before concluding I do want to make some comments about the preliminary report of the Royal Commission on Canada's Economic Prospects. I do not understand the Minister of Trade and Commerce as suggesting that the adoption of certain recommendations in the report would seriously affect the Wheat Board, and I do not wish that anything would. I would like to read from paragraph 6 on page 32 of the report:

It seems to be desirable to give the farmers, in advance, as much information as possible not only on price (as is done now), but also on the quantities of wheat which can probably be accepted by the board, and paid for, in the coming year. The quantity in any year will depend upon the stocks on hand in relation to off-farm storage capacity; and the expected disposal of wheat in both the domestic and foreign markets. The board should be able to appraise these two factors and to arrive at an informed estimate of the quantity which it would be possible to move off farms in the next marketing year. The announced initial price would apply to this quantity. Such a procedure under which both price and quantity would be announced in advance should be of some advantage to wheat producers. As we have pointed

out, under the present arrangements the producer does not know in advance the quantity on which the minimum price will be paid during a given year. While he has an assured price, he has no assurance of a minimum income. If the board were required to pay the minimum price on the quantity they estimated could be moved off farms, this would assure the producer of a minimum income, except in the event of a small crop. In times of surplus, such a procedure could exert a corrective influence.

For the life of me I cannot see how it would be difficult for or would ruin the Wheat Board. It would be of some advantage to the farmer to have some idea of how much income he would be able to receive. I cannot see that it would be any different from lending him money; in fact, it would be more realistic. Also, if in future years the farmer were fortunate enough to have a good crop, and year after year the quota was placed very low, it might well influence farmers to turn to raising livestock or to some other branch of farming. As the report states, it could exert a corrective influence, and I fail to see what damage could be done.

Honourable senators, I think I have detained you long enough.

On motion of Hon. Mr. Pouliot, the debate was adjourned.

PRIVATE BILLS

ALASKA-YUKON PIPELINES LTD.—COMMITTEE AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the Standing Committee on Transport and Communications to Bill P-1, an Act to incorporate Alaska-Yukon Pipelines Ltd.

Hon. A. K. Hugessen, Chairman of the Committee, moved that the amendment be concurred in.

He said: Honourable senators, this is a minor amendment, but perhaps I should give a word of explanation about it. The only amendment to this bill was put in at the request of the applicants, and it slightly extended the area in which we authorized them to carry on their operations by permitting them to carry on business in the provinces of Alberta and British Columbia. Generally speaking, the committee felt that it did not really matter very much whether we gave these companies the right to carry on business in an extended area or not, because when they actually come to construct their line they will have to satisfy the Board of Transport Commissioners as to the necessity of putting in a line, in any event.

The motion was agreed to, and the amendment was concurred in.

THIRD READING

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

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

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

QUEBEC SAVINGS BANKS BILL—COMMITTEE AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the Standing Committee on Banking and Commerce to Bill Q-1, an Act to amend the Quebec Savings Banks Act.

Hon. Salter A. Hayden, Chairman of the Committee, moved that the amendments be concurred in.

The motion was agreed to, and the amendments were concurred in.

THIRD READING

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

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

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on

Divorce, Nos. 142 to 158, which were presented on Thursday, February 7.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

BILLS—SECOND READINGS

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

Bill T-4, an Act for the relief of Alice Katherine Sorensen Engel.

Bill U-4, an Act for the relief of Deirdre Joan Lang Srb.

Bill V-4, an Act for the relief of Lily Brigham Hall Fallon.

Bill W-4, an Act for the relief of Margaret Cameron Brown Gravenor.

Bill X-4, an Act for the relief of Naim Shaul Goorji.

Bill Y-4, an Act for the relief of Roxcina Viola McPherson Lippiatt.

Bill Z-4, an Act for the relief of Lillian Annie Wagner Fahy.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 13, 1957

The Senate met at 3 p.m., the Hon. Paul H. Bouffard, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 159 to 180, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

SENATE STATIONERY

INQUIRY AND ANSWER

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. What is the price for embossing notepaper and envelopes of the Senate, and what would be the price for printing only the words "The Senate, Ottawa" on each piece of paper and each envelope, instead of having them embossed?

2. What stock of embossed paper has the Senate in reserve?

Hon. W. Ross Macdonald: The answer to the honourable gentleman's inquiry is as follows:

ANSWER TO NO. 1:

	Rolland Parch.	Superfine	Chaldean Vel.
200 Pads of 100 letter-heads 8 x 10			
Embossed	\$265.71	\$233.61	\$211.79
Letterpress	188.70	156.60	134.78
15,000 Letterheads 8 x 10			
Embossed	196.24	172.21	155.88
Letterpress	141.37	117.34	101.01
100 Pads (Eng.) 100 per pads 5 x 8 (note heads)			
Embossed	100.63	92.62	87.17
Letterpress	62.32	54.36	48.86
100 Boxes Eng. folded notepaper 5 x 8—2 grades, 125 sheets per box			
Embossed	231.40		195.28
Letterpress	219.98		183.86
50 Boxes Fr. folded notepaper 5 x 8, 2 grades, 125 sheets per box			
Embossed	117.20		99.14
Letterpress	114.51		96.45
5,000 No. 9 Env—Eng. or Fr.			
Embossed	81.00		79.65
Letterpress	72.54		71.19
15,000 Env. 4½ x 5½			
Embossed	210.30		192.30
Letterpress	153.39		135.39

ANSWER TO NO. 2:

STATIONERY BRANCH, THE SENATE

Stocks of embossed stationery on hand as of January 30, 1957

Letterheads	
Eng. Rolland Parchment	21,500
Fr. Rolland Parchment	3,500
Fr. Linen Record	8,000
Letter Pads	
Eng. Rolland Parchment	20
Eng. Rolland Parchment (covers) ..	220
Eng. Linen Record (covers)	200
Eng. Linen Record	nil
Eng. Air Mail	260
Fr. Air Mail	380
Fr. Rolland Parchment	10
Fr. Linen Record (covers)	220
Note Pads	
Eng. Rolland Parchment	120
Eng. Rolland Parchment (covers) ..	50
Eng. Linen Record (covers)	130
Eng. Linen Record	90
Eng. Air Mail	240
Fr. Air Mail	50
Fr. Rolland Parchment	180
Fr. Linen Record	50
Notepaper	
Eng. Chaldean Vellum large octavo ..	51 boxes
Eng. Chaldean Vellum small octavo ..	4 "
Fr. Chaldean Vellum large octavo ..	46 "
Correspondence Cards	
English	7,500
French	3,500
Place Cards	
French	300
Paper	
Fscp. Double (Eng.)	1,500 sheets
Fscp. Double (Eng.) (margined) ...	1,000 "
6-3/8 x 10½ Single (Eng.)	3,000 "
Fscp. Single, Fr.	5,000 "
Fscp. Double, Fr.	500 "
Envelopes	
Eng. Cartridge, 4¼ x 5¾	2,500
Eng. Cartridge, 4 x 9	14,000
Eng. Cartridge, 4¼ x 9	2,750
Eng. Cartridge, 5 x 11	1,600
Eng. Cartridge 7½ x 9½	1,000
Eng. Cartridge 8½ x 10½	2,000
Eng. Cartridge, 8½ x 10½	1,000
(Senate Minutes)	
Eng. Cartridge 9½ x 15	1,000
Eng. Chaldean Vellum 3¼ x 4¼	300
Eng. Chaldean Vellum 4¼ x 5¼	10,100
Eng. Rolland Parchment, #7	1,000
Eng. Rolland Parchment, #8	1,500
Fr. Rolland Parchment, #7	750
Fr. Cartridge 4¼ x 5¾	2,500
Fr. Cartridge 4 x 9	6,750
Fr. Cartridge #10	1,500
Fr. Cartridge 7 x 9½	750
Fr. Chaldean Vellum, Large octavo ..	1,200
Speaker of the Senate Stationery	
Letterheads	
Eng. Rolland Parchment	500
Fr. Chaldean Vellum	3,500
Notepaper	
Eng. Chaldean Vellum Sm. Octavo ..	9 boxes
Eng. Chaldean Vellum Lg. Octavo ..	4 "
Eng. Rolland Parchment Lg. Octavo ..	24 "
Eng. Cameo Vellum Club	8 "
Fr. Cameo Vellum Club	4 "
Fr. Chaldean Vellum Lg. Octavo ...	24 "
Fr. Rolland Parchment Sm. Octavo ..	24 "
Cards	
Fr. Correspondence	3,000
Eng. Correspondence	3,200
Eng. Menu	850
Fr. Place	500

Eng. Invitation, Joint, Dinner	750
Eng. Invitation, Joint, Lunch	750
Eng. Invitation, Joint, Reception	850
Eng. Invitation, Single, Reception ..	800
Eng. Invitation, Single, Lunch	600

Envelopes

Eng. Cameo Vellum, Club	1,125
Eng. Blue Jay Vellum, 4½x5¼	1,000
Eng. Blue Jay Vellum, 5x6½	800
Eng. Blue Jay Vellum, 6x7½	800
Eng. Chaldean Vellum, 4½x5¼	1,750
Eng. Chaldean Vellum, 4¾x5¾	1,500
Eng. Rolland Parchment, No. 9	1,500
Fr. Cameo Vellum, Club	600
Fr. Chalean Vellum, Lg. Octavo	2,000
Fr. Chaldean Vellum, No. 9	750
Fr. Rolland Parchment 3¾x4¾	2,000

Leader of the Government Stationery

Letterheads

Eng. Rolland Parchment	1,000
Fr. Rolland Parchment	1,500

Notepaper

Eng. Chaldean Vellum, Lg. Octavo ..	11 boxes
Fr. Chaldean Vellum, Lg. Octavo ..	8 "

Correspondence Cards

English	1,700
French	200

Envelopes

Eng. Cartridge No. 9	1,500
Eng. Chaldean Vellum, Lg. Octavo ..	1,750
Eng. Chaldean Vellum, 4¾x5¾	1,000
Fr. Chaldean Vellum, 4¾x5¾	2,000
Fr. Cartridge No. 9	2,000

Leader of the Opposition Stationery

Letterheads

Eng. Rolland Parchment	1,000
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Correspondence Cards

English	100
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Envelopes

Eng. Cartridge No. 11	1,000
Eng. Chaldean Vellum 4¾x5¾	2,000
Eng. Rolland Parchment No. 9	1,500

Clerk of the Senate Stationery

Letterheads

Eng. Chaldean Vellum	1,000
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Law Clerk of the Senate Stationery

Letterheads

Eng. Rolland Parchment	500
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Gentleman Usher of the Black Rod Stationery

Letterheads

Eng. Rolland Parchment	750
Fr. Rolland Parchment	3,000

Envelopes

Eng. Cartridge 4¾x5¾	1,000
Eng. Cartridge 4½x5¼	500
Eng. Cartridge 6x7½	1,000
Fr. Cartridge 4½x5¼	500
Eng. Rolland Parchment No. 9	2,000
Fr. Cartridge No. 9	2,000

Memorandum Forms

English	4,000
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INQUIRY AND ANSWER

Hon. Mr. Pouliot inquired of the Government, pursuant to notice:

1. What was the price of each item of the Senate stationery (a) on June 3, 1941, and (b) on June 2, 1956?

2. How was that price arrived at and by whom was it calculated each time?

3. What was the limitation of each Senator's stationery account (a) in June 1941 and (b) what is it today?

Hon. Mr. Macdonald: I have the answer to the honourable gentleman's inquiry.

1. For details see Appendix to today's *Hansard*, pp. 178-93.

2. Stationery supplies were priced by subdividing the invoice or unit costs, calculations being made by the officer in charge of stationery.

3. (a) June 1941, \$50.00; (b) \$30.00.

INQUIRY AND ANSWER

Hon. Mr. Pouliot inquired of the Government, pursuant to notice:

1. What was the item in the Estimates for office stationery, supplies and equipment for the Senate during each one of the last twenty years and what is it now?

2. What was the salary of the Chief of the Senate Stationery Branch during each one of those years and what is it now?

Hon. Mr. Macdonald: The answer to the honourable gentleman's question is as follows:

1. 1936-37, \$10,000; 1937-38, \$10,000; 1938-39, \$10,000; 1939-40, \$10,000; 1940-41, \$10,000; 1941-42, \$10,000; 1942-43, \$9,000; 1943-44, \$4,000; 1944-45, \$4,000; 1945-46, \$4,000; 1946-47, \$6,000; 1947-48, \$6,000; 1948-49, \$6,500; 1949-50, \$7,000; 1950-51, \$7,000; 1951-52, \$7,000; 1952-53, \$7,000; 1953-54, \$7,000; 1954-55, \$7,000; 1955-56, \$7,000.

2. 1936-37, \$1,881; 1937-38, \$2,100; 1938-39, \$2,220; 1939-40, \$2,340; 1940-41, \$2,460; 1941-42, \$2,520; 1942-43, \$2,520; 1943-44, \$2,598; 1944-45, \$2,598; 1945-46, \$2,598; 1946-47, \$2,665; 1947-48, \$2,850; 1948-49, \$3,090; 1949-50, \$3,180; 1950-51, \$2,704; 1951-52, \$3,149; 1952-53, \$3,445; 1953-54, \$3,704; 1954-55, \$4,090; 1955-56, \$4,209; 1956-57, \$4,682.

DIVORCE BILLS

THIRD READINGS

Hon. Arthur W. Roebuck, chairman of the Standing Committee on Divorce, moved the third readings of the following bills:

Bill T-4, an Act for the relief of Alice Katherine Sorensen Engel.

Bill U-4, an Act for the relief of Deirdre Joan Lang Srb.

Bill V-4, an Act for the relief of Lily Brigham Hall Fallon.

Bill W-4, an Act for the relief of Margaret Cameron Brown Gravenor.

Bill X-4, an Act for the relief of Naim Shaul Goorji.

Bill Y-4, an Act for the relief of Roxcina Viola McPherson Lippiatt.

Bill Z-4, an Act for the relief of Lillian Annie Wagner Fahy.

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—
DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's Speech at the opening of the session

and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. Jean-François Pouliot: Honourable senators,—

Hon. Senators: Hear, hear.

Hon. Mr. Pouliot:—in the first place it is my great pleasure to congratulate the mover (Hon. Mr. Bois) and the seconder (Hon. Mr. Smith) of the Address in reply to the Speech from the Throne, and I welcome them to this chamber. They made remarkably good speeches, for which they deserve congratulations. They will be an asset to this house, just as will the other two new senators who were sworn in at the beginning of this session. The honourable senator from Westmorland (Hon. Mr. Taylor) gave a good explanation of the reasons for subsidizing the transportation of western grain to the east, and he thereby rendered a service which should be appreciated by all eastern farmers.

I must tell you, honourable senators, that I have a warm feeling for all of you, and a feeling of respect and admiration. I have realized since my appointment to the Senate that it is a pleasure to work with you. If anyone cares to look at the Commons *Hansard* of several years ago, 1949, it will be seen that I made a few remarks about the Woolsack, which was a bag not of wool but of cotton, that took up a lot of room on the occasions when it was used in this chamber. After I spoke about it in the House of Commons it disappeared, for the great convenience of honourable members, and also of the judges, who complained that they were falling over on each other while they were sitting on the Woolsack; and it was disgraceful that some of them had to keep their backs turned to His Excellency when he was reading the Speech from the Throne. The Woolsack was a thing of the past. As I said at the time, it would have to vanish as soon as appeals to the Privy Council from Canada were no longer heard and the Supreme Court became our final tribunal. The thing was done; and I am told that the Woolsack is now kept in the dusty attic of this chamber, where it is slowly being eaten by moths. I thought it was ridiculous to have the Woolsack in front of the Table, and it was to prevent the Senate from being ridiculed that I complained about it. Finally, my voice was heard, at least for a time. And the judges were very grateful: they told me they were very pleased to sit on chairs instead of falling over on each other. The Woolsack was an institution of the past, which was not part of this house. It is different in the House of Lords, because unless the Lord Chancellor sits on the Woolsack he is not allowed to speak.

Other suggestions were made for the improvement of this chamber, to make it look more attractive for the people who deign to visit us while we are in session; they are not numerous, but the more attractive the chamber is, the more people will come to attend our sittings and listen to us, inasmuch as they can hear what is said here. I appreciated very much the speech that was made by the Leader of the Opposition (Hon. Mr. Haig) on August 2, last, when the Senate was considering several reports of the Committee on Internal Economy. He said that there was one matter which had been considered by the committee. To quote the honourable gentleman:

I have reference to improvements in the lighting, ventilation, the decorations and the acoustic properties of this chamber.

That was very nice. He went on to say:

... A subcommittee composed of the honourable Leader of the Government (Hon. Mr. Macdonald), the Chairman of the Public Buildings and Grounds Committee (Hon. Mr. Dessureault), and the honourable senator from Ottawa West (Hon. Mr. Connolly) was appointed with power to act. It will deal with lighting and ventilation, the provision of a new carpet for the Senate chamber, and, most important of all, the installation of an acoustic system which will enable us to hear what is said by honourable senators in every part of the chamber. The subcommittee will also have regard to the paintings and seats. The important thing, however, is to improve the acoustic properties.

Which was all well and good. Then he added, on this memorable day of August 2, 1956:

We want good acoustics in this chamber without in any way spoiling its appearance. I hope that will be kept in mind. The subcommittee may decide that it should have the advice of all honourable members before taking action on a particular matter, and if so I for one would be in favour of coming here during the recess, even at some personal inconvenience.

Apparently the honourable gentleman did not come, because the acoustics have not been improved. I do not know what has been done in this respect, but if something has been done it is still unseen.

Honourable senators, you will excuse me if I deal with all these matters. You were very generous to me last year, because I was then the junior member of the Senate, the last one to be appointed to this body. But now I do not have that privilege. I belong to the old guard, and I shall try to have some of the wisdom of my elder colleagues in dealing with matters of great interest.

The views expressed by the honourable Leader of the Opposition in the same speech about the beauty of this house were not shared by the senators of the past who were familiar with the settings of the chamber which was destroyed by fire during the First

World War. May I quote what Senator Dandurand said on May 14, 1928:

Honourable gentlemen, ever since I came into this chamber I have reflected with very great sorrow on the fact that no one insisted that the architects should give us a replica of the old Senate chamber. I have passed through quite a number of capitals, and have seen many parliament buildings, but I do not know that I have ever seen any chamber comparable with the Senate of Canada as we had it before the fire. Honourable gentlemen can therefore imagine my feelings—shall I say my indignation?—at finding our old chamber replaced by this den.

Those are the words of a man who left a great name, Senator Dandurand.

It may have certain qualities, architecturally speaking, and I confess that I am not competent to cross swords with experts on the architectural value of this chamber; but I told Mr. Pearson—

That is not Mr. Lester Pearson, the Secretary of State for External Affairs, but the architect.

—that he would have to wait for all those who had known the other chamber to close their eyes before he would be permitted to hear an unbiased judgment as to the value of this chamber.

On the same date there were eminent speeches by Senator Daniel, Senator Belcourt, Senator Turriff and others, complaining of the ugliness of this chamber.

Sometimes I have some very good friends who give me their support. I will quote from an article which appeared in one of the largest Canadian dailies, the *Halifax Chronicle-Herald*, on March 30, 1956. The article, which was headed "Good suggestion", said:

The unpredictable Senator Jean-François Pouliot has started a movement to make the peaceful atmosphere of Parliament's Upper Chamber even more peaceful.

A curt question he asked the Senate Government Leader about what he called the eight depressing war scenes that have adorned the chamber for years, developed into an almost full-fledged debate generally endorsing his views. And it now looks like the paintings of the landing of Canadian World War I troops in France, guns on the Rhine and others will be replaced by what one Senate veteran suggested should be something "more in keeping with what we desire now—the peace of the world".

Senator Pouliot and those supporting him are right. There is a place of honour for those paintings from the 1914-1918 Canadian War Records collection, but it is not in the Senate chamber at this time. They have served their purpose there and should be replaced by others which will help to inspire parliamentary thoughts about a progressive, peaceful future, instead of a warring past.

The National Art Gallery should be able to produce from its supply—which too few people now see for the money spent on it—a good collection of peacetime scenes, and the emphasis should be on Canadiana produced by Canadian artists. If it is still felt that there should be some war paintings among them, then proper recognition should be given to World War 2 as well as World War 1.

Now, honourable senators, there was a good disposition on the part of the members of

the Internal Economy Committee in supplying me with good lighting in my office, in giving me a sofa with a back on it in which I can sit instead of a sofa without a back on which I could not lie, and in covering my old arm chair with new leather. I shall always thank them for doing that. And then I saw men at work doing something that was not foreseen by the honourable Leader (Hon. Mr. Macdonald)—I saw them cleaning the walls. Now I see that most of the walls are cleaned, and all that good work filled my heart with feelings of thankfulness to the committee. I did not know who were members on the subcommittee until later, and on January 16 words of gratitude fell from my lips for the good things ordered done by the committee. I was in the same position as any other honourable senator would have been; I tried to make a gracious speech, to be publicly thankful for what had been done. But it was not a favour they were doing me; those were matters of right, things that I was entitled to.

When I visited this chamber during the recess I asked the electricians who were working here "How is it that we have better lighting in the Senate now?" They replied, "Sir, we have discovered that by using stronger bulbs we will have more light."

Hon. Senators: Hear, hear.

Hon. Mr. Pouliot: This discovery is very timely and I am surprised that it was not made when the Senate chamber was built, just after the First World War. Anyhow, now it is possible to read *Hansard* with glasses in the Senate, and this indicates the immense improvement that has been made. True we have only two clear pieces of glass in the window to the extreme right of the chamber, but there is a ray of hope that in the future all those dirtily painted windows will be replaced by better glass so that we can enjoy a little bit of sunshine in here. I am more pleased because those two glasses in that window are exactly the same as those in my parish church of St. Patrice de Riviere-du-Loup, and when I glance at these windows I feel rather at home. I tell those whom I meet that a beginning has been made, that something is being done. It is very nice; it evidences a good spirit.

Earlier this session a report was received from the Standing Committee on Internal Economy and Contingent Accounts, recommending that its quorum be reduced to seven members. So far that is the only report which this committee has tabled. It gave me my first opportunity to express my gratification: This is what I said:

Honourable senators, before this report is adopted I wish to express my appreciation to both leaders of the house, to the Honourable Senator Dessureault,

the Honourable Senator Connolly (Ottawa West) and all my colleagues for the good work that has been done by this committee to improve conditions in the Senate chamber. I hope the committee will continue its good work, for there still are some things to be done. I trust that with good will and perseverance the physical appearance of the chamber will be improved in the near future.

Hansard continues:

Hon. Mr. Macdonald moved, with leave, that the report be adopted.

The motion was agreed to.

So the quorum of the committee was established at seven, after my remarks. This is the first chapter of a novel which I am reading to you. I have not yet been able to write it all, because of the limitation that is imposed on our supply of paper.

Some Hon. Senators: Oh, oh.

Hon. Mr. Pouliot: But I scribbled some notes. I shall crave the indulgence of honourable members: if I hesitate a little in my speech it is because I did not have enough paper to write it all out.

I have been told that there has been a meeting of the Subcommittee on Stationery. Who are the members of that committee I do not know, because everything is mysterious. But I know that my questions on this subject, which have been on the Order Paper since January 29, were answered, with one exception, today. I have not seen the replies, but I can surmise what they are. In fact, when I ask a question I have a definite idea what the answer will be. I assume that the replies will be as nice as they can be, now that the Minutes of the Proceedings have indicated that yesterday I adjourned the debate on the motion for an Address in reply to the Speech from the Throne.

In the obscurity resulting from lack of knowledge of what the Leader of the Government (Hon. Mr. Macdonald) has said in reply to these questions, may I remark, first,—

Hon. Mr. Macdonald: May I interrupt the honourable gentleman to assure him that I received these answers less than fifteen minutes before I came into the chamber.

Hon. Mr. Pouliot: I do not blame the honourable Leader of the Government. I have not uttered a word of blame. My point is that, in spite of improved ceiling lighting, I am still in dark obscurity with regard to the answers to my questions. Even if the honourable gentleman had them only 15 minutes before the house opened, I did not have even a minute to peruse them before I rose to speak. Therefore, I repeat, my obscurity is profound. But I am not blind. In fact, honourable senators, I am far from being blind, because even in this darkness I can read between the lines.

Of my four questions, the one easiest to answer is precisely the one which has been left unanswered. To familiarize honourable senators with the matter, I will read it. It is this:

What amount of office stationery, supplies and equipment has been supplied by the Senate Stationery Branch during each one of the last ten years

(a) to the three offices of the Speaker of the Senate, and the Leader of the Government in the Senate, and the Leader of the Opposition in the Senate, collectively;

I am not interested to know what quantity of stationery has been used by any one of them. What I want to find out is the total amount of stationery, supplies and equipment used by the three together. That is the first part of my question. Then I asked, what is the amount of office stationery, supplies and equipment supplied—

(b) to each one of the branches of the Senate;

That is clear. And, in the third place,

(c) to the other members of the Senate, collectively?

I will tell my honourable colleagues why I asked this question. It is because the total amount allowed in the Estimates for stationery, supplies and equipment for the Senate is \$7,000. That is not much. But it would be unfair if, to establish the quota of each senator, that amount were divided by the total number of senators, because the three honourable gentlemen to whom I referred in the first place have at their disposal an unlimited amount of supplies and equipment; and, Senate branches must consume large quantities of paper as well. If you disregard the stationery supplies of the three honourable gentlemen—His Honour the Speaker, the honourable Leader of the Government, and the honourable Leader of the Opposition—and that used by the Reporting Branch and the Committees Branch, you are left with the supplies used by honourable senators. It is not a matter of \$7,000, but it is a very easy thing to calculate. If the records were kept in the Committees Branch as they should be, the answer should be available within five minutes. If the question is left unanswered it is because there is something wrong with our Committees Branch. The other day the honourable Leader of the Government did not understand my question very well. He thought that I wanted an outright answer, but it was not that at all. He said he did not know how much paper was used in his office. I would not know how much was used in my office either, because, like all you good honourable senators, when I need some paper I ask for it. I just phone to the Stationery Branch and sometimes I get what I want and sometimes I do not. In any event, I am very surprised not to have received from the

honourable Leader of the Government an answer to the question which serves as the basis for my argument today.

Hon. Mr. Stambaugh: May I interrupt to ask a question? You have spoken about the stationery used by Senate branches and I do not know what ones you refer to. There may be other senators here who are in the dark on this too.

Hon. Mr. Pouliot: I thank my honourable deskmate for asking that question. Let me explain that the greatest eater of stationery in the whole Senate is the Debates and Reporting Branch, which is supplied by the Stationery Branch. Then there are the Committees Branch, the office of the Clerk of the Senate, the office of the Assistant Clerk of the Senate, and the office of the Gentleman Usher of the Black Rod.

I found the names of those branches in a place where they are easily found, the Government telephone directory. Unfortunately I do not have a copy of that directory with me now, but all these branches are listed under the heading of "The Senate" in that directory. I have to use very simple ways, for the complicated ways are denied me. I cannot reach them, and therefore my method of working must be very simple.

Hon. Mr. Stambaugh: And my question was a simple one.

Hon. Mr. Pouliot: And I tried to give an answer with a flourish. I am thankful that my honourable deskmate is listening to my remarks, for he may get some information. Last week when the Senate was giving consideration to Appropriation Bill No. 1, I felt the bill indicated a lack of a sense of proportion and reality. I do not want to be unpleasant, but I notice that this sense of proportion and reality is lacking in the House of Commons as well as in the Senate, and as a matter of fact throughout the whole world.

Now, honourable senators, I pass on to other matters. I will not speak about the freight assistance on western feed grains, for our new colleague from Westmorland (Hon. Mr. Taylor) and my honourable deskmate (Hon. Mr. Stambaugh) have said all there was to say in answer to the speeches of the honourable senator from Churchill (Hon. Mr. Crerar) and the honourable Leader of the Opposition (Hon. Mr. Haig). The speeches of those four honourable gentlemen should be printed together for the edification and information of farmers of both eastern and western Canada. I shall leave that question aside.

Under the item of Citizenship and Immigration the sum of \$9 million was voted to provide for, among other things the cost of

transportation and other assistance with respect to Hungarian refugees coming to Canada. I do not criticize that item. The expenditure may be justified, but let me show you where the lack of a sense of proportion comes in. Some nuns from Rivière du Loup had been interned in concentration camps in Japan, and when I asked the Department of Citizenship and Immigration to pay for their return to Canada, their native land, my request was refused; yet here we are importing Hungarians by the thousands. I have been unable to conceive the proportion between refusing these few nuns their fare home and at the same time voting money to bring thousands of Hungarian refugees to this country. I cannot understand it.

Honourable senators, with regard to university grants, I remember the present Canadian Ambassador to France, Mr. Jean Desy, once remarked during a lecture that there was a great difference between culture and civilization; that some people who do not know how to read or write can be perfectly civilized, and others who are very cultured can be uncivilized. Mr. Desy's lecture on culture and civilization have been published in book form and I hope my honourable colleagues may have the enjoyment of reading it.

The honourable Leader of the Opposition (Hon. Mr. Haig) was very enthusiastic about these university grants, but at the same time he was agreeable to imposing a limitation on the stationery quota of his colleagues in the Senate, although he himself has an unlimited supply. I wonder if the students of the great University of Manitoba, of which the honourable gentleman is a distinguished graduate, have had a limitation imposed on the paper they use. I wonder if in taking their notes they have to use slates and blackboards or papyrus, which was used in ancient times, or birch bark, which was used by our early Indians. On the one hand the honourable gentleman, as a member of the Subcommittee on Stationery, thought it was wise to impose a limitation on the stationery used by honourable members of the Senate, and he was aware that in the Estimates there was an item of only \$7,000 to cover the cost of stationery in the Senate. On the other hand he was aware that in the recent supply bill there was a vote of nearly \$8 million for university grants. Now how could the students take notes during lectures by their professors if they had so little money to spend on stationery that they had no note-paper and had to rely on blackboards and chalk? How could they take notes during the orations and lectures by the learned professors in the medical schools, for instance? What a benefit to the lumber industry the

demand for all those blackboards would be. And what a profit the paint manufacturers would make.

Honourable senators, I do not want to take too much time. I come now to the climax of the story. I wonder, honourable senators, if you are interested in my speech. I do not see anyone dozing now, and that is the greatest comfort that I have. If you want to listen to my story I will unfold it before your eyes. No, I will unfold it so that you will hear it—I cannot unfold it before your eyes because my paper supply is limited.

In the *Minutes of the Proceedings* of last session I found something that was not offensive to any senator, the tenth report of the Standing Committee on Internal Economy and Contingent accounts, dated August 1, 1956, which reads as follows:

Your committee recommend that the usual supply of stationery, etc., which has been selected by your committee with due regard to usefulness and economy, for use of the senators in their rooms and desks in the Senate chamber, be supplied according to the lists approved by your committee and deposited with the Clerk of Stationery, and that the distribution be made in a way similar to that of the present session.

The report concludes by saying:

On motion of the Honourable Senator Macdonald, P.C., seconded by the Honourable Senator Godbout, it was—

Ordered, That the said report be taken into consideration to-morrow.

There is nothing wrong with that. This is why I was permitted to speak graciously of the committee at the outset of this session, on January 16. All I found on August 2 was the fact that the Senate presented for consideration this report. Now, what surprised me was that on January 18 I received in my mail a letter, reading as follows:

Room 530, The Senate

Dear Sir:

At the 1956 annual meeting of the Subcommittee on Stationery, a recommendation was forwarded to the Internal Economy Committee "that each honourable senator's stationery account be limited to the sum of \$30.00 per annum, with the exceptions of the offices of the Speaker of the Senate, and the Leader of the Government in the Senate and the Leader of the Opposition in the Senate. There would, however, be no limitation in the case of a newly-appointed senator during his or her first year in office, in order that all his or her basic requirements might thus be obtained.

Furthermore, when the above mentioned quota has been reached, that the Chief of the Stationery Branch be instructed to forward a circular letter to honourable senators, requesting their co-operation in limiting their requests to this figure".

This recommendation was subsequently approved by the Internal Economy Committee.

Your attention is kindly directed to the foregoing, together with the advice that your current year's account now stands at—\$52.78.

Robert Lay, (chief)
Stationery Branch.

That is the pleasant letter which rewarded me for my gracious speech. Immediately after I made that speech I received that letter, and the first thing that I did was to go to the office of the Leader of the Government (Hon. Mr. Macdonald) to ask him if he had a copy of the report of the Subcommittee on Stationery. He had none. Then I went next door to the office of our good friend the Clerk of the Senate. He had none. I asked the honourable senator from Ottawa West (Hon. J. J. Connolly) if he had a copy. He was in his office in town, and he told me that perhaps he had one, but he could not remember definitely. Next I asked the chairman of the subcommittee, the honourable gentleman from Blaine Lake (Hon. Mr. Horner), if he had a copy, and he did not. Finally I went to the office of the clerk of the committee, and he went through the file; there was no report of the subcommittee. I was surprised, it was a mysterious affair. I wanted to know, and I asked questions. Those questions were answered today, but the answers are still unknown to all of us, even to you, Mr. Speaker.

I am not in the secret of the gods. I was offended. I said in the first place that this man calls himself the chief of the branch, yet he is alone in the branch. He reminds me of Armand Lavergne, who said of Mr. Bourassa when they were sitting alone in the Quebec Legislative Assembly, "He is my leader and I am his party." However, they were two, but this man is alone. Yet he calls himself the chief of the branch. Not only that, but in that most important book, the Government of Canada Telephone Directory, he calls himself "Chief of Div"—divisional chief of the stationery branch—which I find impudent.

My contention is, honourable senators, that we are not to be written bold letters by any civil servant. Moreover, no senator has the right to impose a limitation on the work of any member of this house. It is not done in the House of Commons. Why should it be done in the Senate?

Speaking of a sense of proportion, I enjoy very much reading a book that nobody else reads; it is a fascinating book, more interesting than any best seller. I refer to the Estimates. What do I find there? One thing that I find is what was spent for paper last year in the various branches and departments of government. For instance, the Senate's appropriation, including the three above mentioned gentlemen and all branches of the Senate, was \$7,000. The amount spent in the House of Commons was \$70,000, some ten times that of the Senate. I know that the members of the House of Commons have more correspondence than we have, but there

is no limitation on the use of stationery by them. I was there 31 years, long enough to know.

On the other hand, the amount in the Estimates for office stationery, supplies and equipment for Canada's participation as a member of the International Commissions for supervision and control in Indo-China, as shown at page 198 of the Estimates, was \$6,000 last year, and is \$7,000 this year. They spent as much for the paper used on the commissions on Indo-China as the Senate spends in a whole year. The Maritime Marshland Rehabilitation Act administration, it is shown at page 140, last year spent \$8,000, and this year will spend \$8,000. The Civil Service Commission—page 175—last year spent \$98,000, and this year will spend \$110,000. The Department of External Affairs, estimates for Departmental Administration, office stationery, supplies and equipment; Representation Abroad, capital items—pages 182, 185 and 186—show a total expenditure last year of \$463,298, and this year it is \$560,081, or an increase of \$96,783. The Meteorological Division of the Department of Transport spent last year for office stationery, supplies and equipment \$378,000 and this year will spend \$363,000. Look at the proportion between the item of office supplies for the Senate and that of these and other departments. I know some departments spend more than \$1 million for paper. Mark you, honourable senators, I do not criticize that expenditure for paper, but we must show a sense of proportion. If there is no limitation on paper or no stationery quota for the other departments, I do not know why there should be one for the Senate, where each member has his own work to do. Some members write their letters in longhand, and others dictate them. Some members like plain paper of good bond quality to write on, not the expensive vellum paper with envelopes that do not stick, or parchment paper, and all embossed, if you please.

Honourable senators, except for the small scratch pad we are not provided with a bit of paper which is not embossed with the Canada crest and the words "The Senate". It is absolutely ridiculous extravagance and waste. We use a sheet from an embossed pad to write a name or an address on. That embossing costs a lot of money; I know when I have some done for myself I pay quite a lot for it. But I do not use an embossed letterhead except when writing letters.

Honourable senators will understand why I have asked these questions. It is because I want the Senate of Canada to be respected. When I ridiculed the Woolsack it was to

prevent the Senate from being ridiculed, and it was a long time before I thought of coming here to be with you. Now how is it that we are being told by a man who is in charge of a certain quantity of stationery, and who does not seem to know the difference between expensive paper and good business paper, and who fills our desks with pads of embossed English letterheads, without putting in any French letterheads—how is it that we are being told we can have only so much and no more? He does not supply us with good unembossed pads, because he has none. The ones he has are of cheap quality, on which the pen scratches and makes blots.

It is surprising that so much consideration was given by the Internal Economy Committee to an increase in the salary of that man. I have no objection to civil servants being well paid. I believe that the staff of the Senate is efficient, mostly efficient, and they deserve to be paid as well as the civil servants employed in the other house. But the Civil Service Commission is the judge of the merits of an employee with regard to salary. The case of the so-called chief of the stationery branch, whose designation should be only caretaker, was submitted to the Civil Service Commission, and the commission refused the increase which it considered unjustified. But in order to get the increase a complaint was made about the extravagance of members of the Senate with regard to their use of stationery. Does he want to get what was refused to us? I do not know. But what I do not like, and what I denounce, is the secrecy which started last year. Everything was taken from the members of the Senate, and finally what we get is an insult. I know some senators who were in my place told me after having received the notice last year they had to go to their colleagues to beg some paper because they needed it. They were too proud to call at the Stationery Branch after receiving such a letter, and asked their colleagues to let them have a supply sufficient to enable them to fulfil their duty as members of the Senate. And may I say to the members of the Subcommittee on Stationery that if what they say in the report is true, that they made an inspection of the Stationery Branch, I am very sorry for them, and I cannot congratulate them. They should have noticed the wasteful supply of paper that is there.

Hon. Mr. Horner: May I ask the honourable senator to repeat the statement that he has just made?

Hon. Mr. Pouliot: I say that if the members of the Subcommittee on Stationery really meant what was said in the tenth report of the Internal Economy Committee last

August in which the committee recommended "that the usual supply of stationery, etc., which has been selected by your committee with due regard to usefulness and economy, for use of the senators in their rooms and desks in the Senate Chamber, be supplied according to the lists approved by your Committee and deposited with the Clerk of Stationery,"—I say that if they meant that they do not know their business.

Hon. Mr. Horner: Pardon me just a moment. All this is entirely the work of the subcommittee and there is no blame whatever to be attached to Mr. Lay in the matter.

Some Hon. Senators: Hear, hear.

Hon. Mr. Horner: And I must apologize. It was possibly through my fault that the report of the subcommittee was not obtainable, because I believe that I left for home without signing the report. That is most likely why it was not available at once. There was nothing to prevent any honourable senator from attending the meetings of that subcommittee. I must say that we arrived at our conclusion with due regard for everything, after having looked over all the various accounts, after having considered the work senators were doing, and the stationery that they received in the past. That record was before us and all was taken into consideration before the resolution was recommended to the Internal Economy Committee.

Hon. Mr. Pouliot: I appreciate what has been said by the honourable gentleman. I do not accuse anybody, but I still say that if they did check the list and approve every item on it they do not know the requirements of each of the members of the Senate with regard to stationery. That is my point. In the House of Commons we always had a plentiful supply of stationery, and it was supplied in accordance with the requirements of the members. I must congratulate the present Leader of the Government in the Senate (Hon. Mr. Macdonald) on that, for when he was Speaker of the House of Commons we never had any trouble about such matters. For instance, the scratch pads that were supplied there were all made of good substantial paper and came in various sizes. They certainly were not to be compared with the scratch pads furnished in the Senate, which are made of the poorest of paper. It is really a waste of money to buy such notepaper. In the House of Commons bound notepaper pads were supplied; they were not made of expensive bond paper, linen or parchment, nor vellum, but they were serviceable. I hope that in the future we will be supplied with cheaper and better paper in the Senate. Can anyone tell me what an expenditure of \$2000 or \$2500

amounts to when divided among 102 senators—let us say 87 because there are 15 vacancies? Especially, what does that expenditure amount to when compared with the expenditures for stationery by departments of government?

There is a whispering campaign going on against the Senate which could turn out to be very harmful. Members of the committee seem not to have realized that by reducing their colleagues to the status of office boys under the whip of a bureaucrat who does not know his business they committed a great offence against the Upper House of Parliament.

And now, honourable senators, I come to the last subject, which is along a somewhat different line. I want to tell honourable senators of a committee that was set up in 1938. In that year the Right Honourable Mackenzie King entrusted 25 members of the House of Commons with the task of making a survey of the civil service with a view to considering the usefulness of each civil servant at that time. To do that a special committee was set up to study the operations of the Civil Service Act, and that was the finest committee that was ever set up in the House of Commons. I pay tribute today to my very good friend the honourable senator from Huron-Perth (Hon. Mr. Golding), who was a most valuable member of that committee, and I likewise pay tribute to all the other members of it.

The first recommendation adopted by the committee in its final report was suggested by a member who afterwards became Minister of Public Works in the Mackenzie King Government as well as in the St. Laurent Government, and who today adorns the bench of the Exchequer Court, the Honourable Mr. Justice Alphonse Fournier. My good friend the senator from Huron-Perth, who made other valuable suggestions while serving as a member on that committee, must remember the recommendation, for he was one of those who was insistent that it be the first one adopted. Let me read the recommendation in question, to be found in the minutes of the committee's proceedings, at page 1551, under date of June 27, 1938:

Your committee deems it expedient and in the interest of the public, the civil service and the Civil Service Commission that a standing committee on civil service matters be appointed at the commencement of each session of Parliament and therefore recommends to Parliament that Standing Order 63 be amended by adding after clause (k) of said Order the following clause (l)—"on civil service matters to consist of fifteen members, nine of whom should constitute a quorum."

The purpose of that recommendation was to give to each civil servant the privilege of coming under the protection of Parliament, to

express his grievances without any feeling of being treated unjustly by any subchief or other civil servant. It was an excellent recommendation—I can say so because it was not mine—and it was supported by the whole committee. Mr. King said, "Let us wait for another session before adopting that report." The following session the committee sat under the chairmanship of Mr. Fournier and adopted precisely the same recommendation; but nothing was done. I regretted very much that this proposal was not put in force by the House of Commons on the initiative of the Government of the day. But here in the Senate is a Civil Service Administration Committee, exactly what we fought for in vain in the House of Commons and that committee sits only to fix its quorum at seven members. It seems to me that all matters pertaining to civil service positions, reclassifications, promotions and so forth should come, not before our Committee on Internal Economy, but before the Committee on Civil Service Administration—the only body of its kind in Parliament. I do not blame the chairman of that committee for not having called it together. When I was in the other place I suggested that there should be a meeting of the Committee on Debates, which had not sat for many years: I wanted to meet my colleagues, to see what they looked like, to shake hands with them. But when we asked for work, the late Mr. King rose indignantly and said, in effect, "Mind your own business; wait until the House gives you orders".

I trust that some use will be found for the Committee on Civil Service Administration. How beneficial it could be to the civil service to have that committee as a sword of Damocles over the heads of all those who practise office favouritism. They would have to come before the committee and explain why they have not treated this one or that one fairly.

I shall not pursue this subject any further. My conclusion is that there is one thing to be done: the Standing Committee on Internal Economy should meet, and should direct the Subcommittee on Stationery to meet; and I am sure that if my friend the honourable senator from Blaine Lake (Hon. Mr. Horner), the chairman of the subcommittee, does not have to leave in the middle of the sitting or before a report is prepared and sent to the Internal Economy Committee, everything will be ironed out satisfactorily. I gather from what he has said, which I appreciate very much, that he thinks the subcommittee, in its report, should not have gone as far as it did. I like my colleagues, and I do not wish to be unpleasant to any of them, but I am adamant

in defence of the rights of the Senate. Also I like to work. When I was a member of the other house I was among the last members to leave after the work of the day had been completed. I hope I have made myself clear, and that there will be, not merely answers to my questions, but the action which is expected by the great majority of my colleagues.

On motion of Hon. Mr. Barbour, the debate was adjourned.

DIVORCE RULES

AMENDMENTS RECOMMENDED BY COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, February 6, the adjourned debate on the motion of Hon. Mr. Roebuck for adoption of the thirteenth report of the Standing Committee on Divorce.

Hon. J. W. de B. Farris: Honourable senators, I approach with some diffidence the discussion of the proposed changes in the divorce rules at this time. I cannot help but feel that, after the momentous issues we have heard discussed this afternoon, the trifling questions which arise from the rights of parties in divorce proceedings may seem somewhat of an anticlimax. On two occasions I have moved the adjournment of the debate on this question, not because I wanted time to prepare a speech and eloquently evolve profound arguments, but because I needed time to decide on which side of this question I was going to speak.

When the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) Chairman of the Divorce Committee, spoke on this resolution, I was convinced of the soundness of his position, partly because I have great respect for him and for the very creditable way he is performing his duties on that committee, partly because of his wide experience as a lawyer and the apparent soundness of his arguments. But when I heard the speech of the honourable senator from Rosetown (Hon. Mr. Aseltine) I felt like the judge who bitterly complained that he had his mind all made up until the defendant rose and submitted his argument. I listened with growing conviction to my honourable friend, and with the greatest regard and respect for his services for many years as Chairman of the Divorce Committee. He spoke with the authority of long experience, he quoted authorities whose rules were worthy of consideration, and he stated his reasons very clearly. Further, may I say to my honourable friend, I felt something of a kindred association with him because on two previous occasions, in the last couple of years, we have spoken on the same

side on quite important issues in connection with divorce. However, having heard both sides, and the Senate having been good enough to give me a little time to decide on which side of this question I wish to speak, I regret to say to my honourable friend from Rosetown that I take the opposite side to his and I support the resolution.

There seems to be only one issue in which there has been a real challenge, and that is the proposed rule requiring the naming of and serving of papers upon the co-respondent.

I have before me a copy of the speech made by my honourable friend from Rosetown (Hon. Mr. Aseltine) in which he set out reasons for not introducing this rule, some of which were obtained from previous chairmen of the Divorce Committee. I am impressed in a way with the wisdom of these gentlemen of the past, but if they were no abler in this connection than the members of the Senate have been in attempting to make the proceedings of this chamber more audible to members and spectators alike, then I might question their wisdom just a little bit.

The first reason given by these advisers was that the Senate committee is not a court and that Parliament is not limited in its jurisdiction to granting divorces on the grounds of adultery—that a parliamentary divorce can be granted on any ground at all. The honourable gentleman from Rosetown said this was the main reason why these gentlemen had not adopted this rule. If that is so, I am puzzled to see the force of it. It is true that our jurisdiction extends wider than granting a divorce on the grounds of adultery, but it is also a fact that the committee and Parliament only proceed to hear divorce petitions on that ground. I do not see why the fact that Parliament is not limited in its divorce jurisdiction should be a reason for not changing our procedure so as to require the naming of the co-respondent.

My honourable friend said that his predecessors, in giving their reasons for not changing the Senate divorce procedure, referred him to Rule 152, which reads:

In cases not provided for by these rules the general principles upon which the Imperial Parliament proceeds in dissolving marriage and the rules, usages and forms of the House of Lords in respect of divorce proceedings may, so far as they are applicable, be applied to divorce proceedings before the Senate and before the Standing Committee on Divorce.

My honourable friend suggests as a reason for not changing our procedure the fact that Rule 152 covers all cases not provided for in the rules. It seems to me there is just a little inconsistency here. First of all, there is an objection to the proposed amendment

under discussion, and then there is the assertion that the situation is already covered in this omnibus Rule 152. I am rather inclined to agree with this latter assertion, but there is no harm in having the matter specifically covered and out in the open.

The honourable gentleman from Rosetown said the former chairmen of the committee felt that the naming of the co-respondent would lead to more divorces. I doubt the correctness and soundness of that conclusion. I rather think it would have the opposite effect. Let us suppose that a married woman, unknown to her husband, was going to commit adultery. If she realized that she might be named in divorce proceedings for her improper action and that as a result her husband might petition for a divorce from her, she might be less likely to commit this kind of depravation.

Hon. Mr. Aseltine: Or it might make her take steps to see that she was not found out.

Hon. Mr. Farris: There was another reason given by my honourable friend's predecessors for not amending the rules, and I quote from his remarks made to this house:

They also said that in most petitions emanating from the province of Quebec, particularly from Montreal, the name of the co-respondent could not be ascertained . . .

I do not know why there is something in Montreal which does not obtain in Toronto or even in Vancouver about the mystery of these things and the secrecy about people's names. I just do not understand it. My honourable friend gave figures to show that in 1956 the name of the co-respondent was known in only 85 cases out of 356. He drew this conclusion:

I am quite sure that there will be at least that number of cases every year wherein the co-respondent is not known and cannot be served.

I talked to the honourable senator from Rosetown about these figures and I know they are correct, but I must respectfully disagree with the conclusion he draws from them. The statistics he gave were compiled under the present procedure, which does not require the name of the co-respondent to be ascertained or the service of papers upon him. That being so, the witnesses and the petitioner do not take any steps to find out the name of the co-respondent if it is not readily available. I understand from Mr. Armstrong, Chief Clerk of Committees, that there are practically no cases in which the petitioner sets out that the petitioner has made a diligent search to ascertain the name of the co-respondent but has been unable to do so. It is true that the petition is sworn to, but it does not allege that any effort has been made to ascertain the name or the residence of the

co-respondent—and I suggest the reason is that this information is not required by the rules.

On the other hand, if the rule were changed to conform with those in Ontario and other provinces having divorce jurisdiction, then a complete change in the practice would take place. The petitioner would get busy at once to take all possible reasonable steps to ascertain the name and address of the co-respondent. That information would have to be sworn to in the petition, a copy of which would have to be served upon the co-respondent before the petition would be inquired into by the Senate Divorce Committee. If the petitioner were absolutely unable to ascertain the name of the co-respondent he would have to appear before the committee and satisfy it that he had exercised due care and diligence in trying to ascertain the name of the co-respondent, but had been unsuccessful. I venture to say that under those circumstances, instead of the co-respondent being named in only 85 cases out of 356, he will be unnamed in only 85 cases out of 356. Take that iniquitous place, Montreal, that my friend from Inkerman (Hon. Mr. Hugesen) comes from. A lot of divorces from that city go through a kind of routine. I have sat in the divorce courts long enough to get the general picture. I am sure that my honourable friends from Rosetown (Hon. Mr. Aseltine) and Toronto-Trinity (Hon. Mr. Roebuck) will both confirm that there are quite a number of routine cases, in which detectives who devote most of their time to this kind of work are called as witnesses.

On thinking this matter over, I have a strong feeling that if the petitioner is compelled to give the name and the place of residence of the co-respondent, or, failing that, to make diligent search to the satisfaction of the Divorce Committee, there may be less "monkey business" going on than there is today.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: I think that pretty well covers what my honourable friend said about that point.

My honourable friend from Rosetown pointed out that rules similar to those now being proposed exist in every province in Canada, except Quebec and Newfoundland. I understand from Mr. MacNeill, the Clerk of the Senate, that the rules as proposed in the committee's report are identical with those in the courts of the province of Ontario. I am not a specialist in divorce cases, but I have dealt with some, and my recollection is that generally the same rules are in force in British Columbia, as I imagine they are in all the other provinces having divorce

courts, yet I have never heard any complaint that the judges who try divorce cases have an undue task imposed on them through having to decide whether due diligence has been exercised in cases where the name and address of the co-respondent are said to be unknown. I do not think the failure to provide this information happens often, and I venture to say it will not happen anything like as often as my friend's figures would suggest if this rule is changed.

My friend suggested an amendment which caught my fancy at first, but on thinking it over and discussing it with Mr. MacNeill, I changed my opinion. It was that the Law Clerk of the Senate be delegated to hear, during the parliamentary recesses, applications for leave to proceed without naming the co-respondent. Whether he could do so without authority of a statute or not, I am not quite sure; but of this I am sure—and Mr. MacNeill agrees with me—his power to call witnesses or to make a proper investigation of such matters would be very limited; he could not subpoena a witness and compel him to come, and he would be under that limitation unless we supplemented these rules by an Act of Parliament. I do not think we would want to have an act of Parliament in this matter.

In conclusion, I think, as a matter of broad principle and decency, that when a man or a woman is charged with being a co-respondent in a divorce case he or she ought to know of the charge. Let us assume that it is a woman, and that she is innocent. Under the present procedure her name is not ascertained and she is not served, yet a divorce is granted on the basis of her having committed adultery. If she is a married woman it won't take long before it leaks out among the parties themselves on both sides as to who was the alleged guilty party.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Farris: What an outrageous thing it would be if an innocent woman, or an innocent man for that matter, was deprived of the knowledge and the opportunity to come to court and deny such an allegation. On the other hand, supposing the person were guilty. Oh, wouldn't it be too bad to bring that poor man or woman into court because his wife or her husband might find out about it! I think the principle of the present procedure is wrong, and much as I regret to part, for once, from my honourable friend from Rosetown on a divorce issue, I must support the amendment.

On motion of Hon. Mr. Kinley, the debate was adjourned.

DIVORCE BILLS
SECOND READINGS

Hon Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill B-5, an Act for the relief of Pauline Jean Stoakley Ramsay Porter.

Bill C-5, an Act for the relief of Allan Graham Bennett.

Bill D-5, an Act for the relief of Chana Paya Trifskin Cupchik.

Bill E-5, an Act for the relief of Victor Edward Drembo.

Bill F-5, an Act for the relief of Doris Silversides Harper.

Bill G-5, an Act for the relief of Lily Claiman Neiss.

Bill H-5, an Act for the relief of Abraham Sztajnhart, otherwise known as Abraham Steinhart.

Bill I-5, an Act for the relief of Elizabeth Hill Silver.

Bill J-5, an Act for the relief of Gaston Bedard.

Bill K-5, an Act for the relief of Mary Tuskewich Gashler.

Bill L-5, an Act for the relief of Muriel Gamache McCrea.

Bill M-5, an Act for the relief of Maitabel Horwitz Johnson.

Bill N-5, an Act for the relief of Laurette Lacombe Paradis.

Bill O-5, an Act for the relief of Claude Christopher Richard Luard.

Bill P-5, an Act for the relief of Joseph Elie Claude Lacelle.

Bill Q-5, an Act for the relief of Muriel Audrey Connor McLeod.

Bill R-5, an Act for the relief of Margaret Ragna Erickson Hunt.

Bill S-5, an Act for the relief of Francois Richer LaFleche, otherwise known as Francois Pierre Patrice Joseph Richer LaFleche.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(See p. 166)

SENATE STATIONERY

Answer to the following inquiry by Hon. Mr. Pouliot:

What was the price of each item of the Senate stationery (a) on June 3, 1941, and (b) on June 2, 1956?

ANSWER:

PRICE OF EACH ITEM OF SENATE STATIONERY AS OF MARCH 31, 1941

Description of Item	Unit of Measure	Price
Stamped Kraft Envelopes.....	100	\$2.18
10½ x 16 O.S.....	"	.99
10½ x 15 O.S.....	"	1.00
10½ x 15 O.E.....	"	1.06
9½ x 12 O.E.....	"	1.00
7½ x 11½ O.E.....	"	.70
7½ x 10½ O.E.....	"	.70
7½ x 10½ O.S.....	"	.44
5½ x 11½ O.S.....	"	.44
5½ x 11½ O.E.....	"	
Plain Kraft Envelopes.....		
10½ x 15 O.S.....	"	.75
9½ x 12 O.E.....	"	.71
5½ x 11½ O.E.....	"	.33
7½ x 10½ O.E.....	"	.32
7½ x 10½ O.S.....	"	.32
9½ x 15 O.E.....	"	.41
7½ x 11½ O.S.....	"	.66
Kings Printers Envelopes.....		
9½ x 15 O.E.....	"	1.60
7½ x 10½ O.E.....	"	.71
5½ x 11½ O.S.....	"	1.00
Supt. of Stationery Envelopes.....		
5½ x 11½ O.S.....	"	.43
Blue Linen Envelopes.....		
8½ x 10½.....	"	4.03
15 x 9½.....	"	8.15
5 x 11½.....	"	4.37
White Linen Envelopes.....		
9½ x 15.....	"	4.00
10½ x 8½.....	"	1.62
5½ x 11½.....	"	4.36
Plain White Envelopes		
Jap Linen.....	4½ x 5½.....	.75
Comm.....	4 x 9.....	.20
Royal Navy.....	4½ x 5½.....	1.28
Air Mail.....	3½ x 6½.....	.48
".....	4½ x 5½.....	.40
Comm. No. 7s.....	3½ x 6½.....	.34
" No. 8s.....	3½ x 6½.....	.36
Visit Card.....	3½ x 2½.....	.33
Invitation Card.....	7½ x 6.....	.92
Holland Lin.....	4 x 7.....	.58
Special.....	5½ x 6½.....	.98

Description of Item	Unit of Measure	Price
Plain Letter Pads		
Air Mail Letter Pads.....	each	.16
“ “ Note “.....	“	.06
Chateau Ripple Note Pads.....	“	.16
Cameo Ripple Note Pads.....	“	.12
Jap Linen Letter Pads.....	“	.19
Holland Linen Letter Pads.....	“	.40
Desk Refill Pads.....	“	.16
Velvet Letter Pads.....	“	.46
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Visiting Cards, etc.		
Ladies Visiting Cards.....	box	.25
Gents “ “.....	“	.25
Menu Cards.....	100	2.31
Desk Secretaries.....	each	3.65
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Rubber Bands, etc.		
6" Bands.....	box	.18
No. 32s Bands.....	“	.13
No. 18s “.....	“	.08
No. 19s “.....	“	.12
No. 30s “.....	“	.13
No. 60s “.....	“	.18
No. 106 “.....	“	.19
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Gummed Paper Rolls, etc.		
Gummed Paper..... 2" wide.....	roll	.34
“ “..... 1½ “.....	“	.20
“ “..... 1 “.....	“	.14
Scissors 4½" pointed.....	each	.34
Buckhorn Knives Lge.....	“	1.25
Official Pearl Handle Knives.....	“	1.50
<hr/>		
Index Cards.....		
8 × 5.....	M	5.21
4 × 6.....	M	3.63
5 × 3.....	M	1.65
<hr/>		
File Holders, etc.		
Manil Letter Holders Flsp.....	each	2.88
“ “ Lett.....	“	2.00
Hansard Covers.....	“	.09½
Manil Folders Flsp Size.....	M	38.90
“ “ Lett Size.....	M	30.50
File Guides Flsp Size.....	each	3.00
“ “ Lett “.....	“	2.15
<hr/>		
Red File Holders.....		
3½" Expan.....	“	.27
1½" “.....	“	.27
5½" “.....	“	.27
2½" “.....	“	.27
<hr/>		
Paste, Mucilage, etc.		
Mucilage 5 oz Bottle.....	each	.17
Cico Paste.....	“	.27
Qt. Jars Cico Paste.....	“	.84
No. 6 Superfix.....	“	.41
Paste Brushes 2" wide.....	“	.18
Tubes Carters Paste.....	“	.10

Description of Item	Unit of Measure	Price
Inks		
32 oz Bottle.....	each	.71
16 " ".....	"	.43
8 " ".....	"	.28
4 " ".....	"	.14
2 " ".....	"	.08
Qt. ".....	"	.70
1 oz " Jet Blk.....	"	.25
1 " special.....	"	.25
<hr/>		
Folders, etc.		
Acco Press Folders.....	each	.45
" " Binders.....	"	.31
" B.G. ".....	"	.36
" Folders.....	"	.32
" " Hansard size.....	"	.45
Brief Cover Folders.....	"	.28
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Paper Fasteners, etc.		
Tip Top.....	box	.05
" ".....	"	.04
" ".....	"	.10
Paper Clips.....	"	.03
Noesting Clamps.....	"	.05
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Blotting Paper, etc.		
Brown.....	100	8.68
Green.....	"	6.52
Buff.....	"	5.63
White.....	"	5.98
Hand Blotters..... 4 X 9	M	1.80
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Special Folders		
Red with Blk. Type.....	M	35.00
Yellow with Red Type.....	M	35.00
Lt. Blue with Dk. Blue Type.....	M	35.00
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Wire Desk Baskets		
Wire Desk Baskets.....	each	.48
" Waste Baskets.....	"	.54
Corr. Steel Waste Baskets.....	"	.77
<hr/>		
Twine		
Spools Cott.....	each	.18
Balls Manil.....	"	.16
" Eng.....	"	.18
" Manl.....	"	.24
<hr/>		
Tape, etc.		
Spools Cellulose Tape 36 yds. long.....	each	.82
Rolls Burroughs Add. Machine Tape.....	"	.08
" Nashua Linen Tape 150 yds.....	"	2.64
boxes Thumb Tacks.....	"	.32
" " ".....	"	.32
" " ".....	"	.37
" " ".....	"	.19
Lge. Wrapp. Paper 30/40.....	ream	6.55
Med. " " 24/30.....	"	3.67
Sml. " " 18/24.....	"	1.65

Description of Item	Unit of Measure	Price
Pen Holders, Nibs, Pencils, etc.		
Penholders (Chancellor).....	gross	22.68
“ (Bource).....	“	31.52
“ (Rialto).....	“	18.36
“ (Scribe).....	“	35.44
“ (Scribe).....	“	34.68
“ (Metropole).....	“	17.71
“ (Vulcan).....	“	8.16
Falcon Pen Nibs.....	“	1.21
Maple Leaf Pens.....	“	1.26
Bank Nibs.....	“	.69
Silver Quill Pens.....	“	1.47
Assorted Pen Nibs.....	“	1.15
Eldorado Pencils.....	“	7.85
Mikado “.....	“	7.85
Torquoise “.....	“	7.85
Venus “ H.B.....	“	8.28
“ “ 2 B.....	“	9.95
“ “ B.....	“	9.95
KOH-I-NOR “.....	“	8.64
G of C Pencils.....	“	3.00
Red and Blue Pencils.....	“	7.20
Hvy. Black Chalk Pencils.....	“	7.20
Paper Weights Red Cover.....	each	.55

Books, etc.		
Ideal Scrap Books.....	No. 51.....	each 2.88
“ “.....	No. 31.....	“ 1.80
Wire-O-Note Books.....	“.....	“ .13
G of C Steno Books.....	No. 711.....	“ .27
Pitmans Note Books 5c.....	“ “.....	“ .42
“ “ 5c.....	“ “.....	“ .36
H.P. Memo Books M O.4.....	“.....	“ .53
Refills for above books.....	“.....	“ .07
H.P. Memo Books M.O.5.....	“.....	“ .51
Refills for above Books.....	“.....	“ .07
Index Books.....	No. 3149.....	“ 1.15
Account Books.....	No. 1822.....	“ 1.44
Memo Books.....	No. 740.....	“ .56
Memo Books.....	No. 803.....	“ .34
Plain Index Books.....	“.....	“ 1.05
Lucketts L.L. Books.....	No. 853.....	“ 3.90
“ “.....	No. 2714.....	“ 5.22
“ “.....	No. 854.....	“ 3.90
Com L.L. Books.....	No. 4861 M.....	“ 3.71
Lucketts L.L. Books.....	No. 855.....	“ 3.90
Gov of Can Books.....	No. 400.....	“ 1.94
Walkers Refill Books.....	No. 224.....	“ 1.15
Refills.....	No. 24.....	“ .26
G of C Commt Books.....	No. 24.....	“ .61
G of C Committee Books.....	No. 50.....	“ .29
“ “.....	No. 100.....	“ .22
“ “.....	“.....	“ .25
Indexed Books.....	No. 312567.....	“ 1.30
Dictionnaire Francais.....	(2 books in set).....	per set 8.80
Eng Oxford Concise Dictionaries.....	“.....	each 2.50

Typewriting Paper		
Earnscliffe.....	No. 104.....	box 1.94
“.....	No. 124.....	“ 1.44
Blue Bond.....	8 x 13.....	“ .46
“.....	8 x 10.....	“ .38
Corn Bond.....	8 x 13.....	“ .59
“.....	8 x 10.....	“ .37
Quarto.....	No. 4 8 x 13.....	“ 1.45
No. 3T.....	8 x 13.....	“ .73
Glazed No. 41.....	8 x 10.....	“ .68
Glazed No. 4.....	8 x 13.....	“ 1.41
“ No. 4.....	8 x 10.....	“ 1.11
Roll Parch.....	8 x 10.....	“ 5.90
Reporters Paper.....	“.....	pkg. .73
Ruled Paper Folded.....	“.....	“ 2.37
“ “ Single.....	“.....	“ 1.33
Ruled Paper No. 7.....	“.....	each .12

Description of Item	Unit of Measure	Price
Embossed Stationery Leader of Govt., French Crested		
Letter Heads—Cab-du-Ministre.....	M	11.05
Envelopes 8.v.O..... 4½ x 5½.....	M	10.12
“ “ “ “..... 4 x 9.....	M	9.68
5Qr Double Note Paper.....	box	1.38
English Crested		
Minister's Office—Letter Heads.....	M	10.72
“ “ —Envelopes..... 4 x 9.....	M	10.60
“ “ — “ “..... 4½ x 5½.....	M	10.60
Gentleman Usher Black Rod, English Crested		
Letter Heads..... 8 x 10.....	M	10.14
Envelopes..... 4 x 9.....	M	11.26
“ 8 V.O..... 4½ x 5½.....	M	11.20
French Crested		
Envelopes..... 4 x 9.....	M	9.21
“ 8 V.O..... 4½ x 5½.....	M	11.20
Speakers Stationery, Eng. crest		
Envelopes Spc..... 4½ x 5½.....	M	11.80
“ 8. V.O..... 4½ x 5½.....	M	10.40
“ “ “ “..... 4 x 9.....	M	13.70
Letter Heads.....	M	39.12
Emb Corr Cards.....	M	6.80
Emb Note Paper Double.....	M	1.38
French crest		
Envelopes Spc..... 4½ x 5½.....	M	11.80
“ 8. V.O..... 4½ x 5½.....	M	11.40
“ “ “ “..... 4 x 9.....	M	9.87
“ “ “ “..... 4 x 11.....	M	8.32
Emb Corr Cards.....	M	6.80
Emb Note Paper Double.....	box	1.38
Letter Heads.....	M	26.08
Embossed Senate Stationery		
Emb Letter Pads (Rolland Parch with cover).....	each	.54
“ “ “ Superfine Linen.....	“	.42
“ Note Pads with cover.....	“	.34
“ “ “ Roll Parch No Cover.....	“	.62
“ Superfine Linen no cover.....	“	.34
“ “ “ Note Pads.....	“	.28
“ Air Mail Letter Pads.....	“	.28
Emb Letter Heads, etc. Eng		
Letter Heads.....	M	8.34
Envelopes 8. V.O..... 4½ x 5½.....	M	8.38
“ Spc..... 4½ x 5½.....	M	8.43
Self Seal Envelopes..... 4 x 9.....	M	7.42
“ “ “ No. 8s.....	M	13.12
“ “ “ No. 7s.....	M	13.11
Embossed Letter Pads, Envelopes, etc.		
Emb Envelopes, O.H.M.S.....	M	6.01
“ “ Accts Senate.....	M	3.77
“ “ No. 7s..... 3½ x 6.....	M	13.11
“ “ Air Mail..... 4½ x 5½.....	M	7.79
“ Corr. Cards..... 5 x 4.....	M	5.69
“ “ “ “..... 4 x 5.....	M	5.30
“ Double Note Paper.....	box	1.32
“ Note Heads.....	M	19.90

Description of Item		Unit of Measure	Price
Carbon Paper Light	8 x 10 bxs	Per Box	.90
" " "	8 x 13	"	1.41
" " Medium	8 x 10	"	.90
" " "	8 x 13	"	1.03
" " "	8½ x 14	"	2.00
Typewriter Paper			
Rolland Parchment	8 x 10	Per Box	2.90
Blue Bond	8 x 10	"	.73
" "	8 x 13	"	.62
Corn Bond	8 x 10	"	.70
" "	8 x 13	"	.62
Krypton X Strong, Glazed	8 x 10	"	1.60
" " " "	8 x 13	Per Pkg.	3.30
" " " "	8½ x 14	Per Box	1.68
Belfast Bond	8 x 10	Per Pkg.	3.46
Earnsliffe Bond	8 x 13	"	4.46
" "	8½ x 14	Per Box	2.50
Genoa Bond	8½ x 11	"	1.47
Chaldean Vellum	8 x 10	"	1.90
Rolland X Strong	8 x 13	"	1.42
" " "	8½ x 14	"	1.80
Mimeograph Paper	8½ x 11	Per Pkg.	1.73
" " "	8½ x 14	"	2.21
Newsrappers	9 x 22	Each	.01
File Covers, Rogers		Pair	.64
File Sticks		Each	.07
Laces, Black, 36-in.		Each	.01
Wrapping Paper	18 x 24		.01
" "	24 x 30		.02
" "	30 x 40		.02
Rubber Bands	No. 6	each	.17
	No. 18	"	.10
	No. 32	"	.17
	No. 333	"	.30
Twine Cotton	No. 2	"	.79
" "	No. 6	"	.80
" "	No. 10	"	.34
" "	No. 26	"	.27
Jute	No. 142	"	.32
" "	No. 28	"	1.19
Note Books			
Pitman's 5C		"	.75
Govt. of Canada C40		"	.21
Pins ½ lb bxs		"	.25
Pyramids		"	.06

Description of Item		Unit of Measure	Price
File Folders.....	No. 3406T $\frac{1}{2}$	per 1000	27.00
“ “.....	No. 3404T $\frac{1}{2}$	“	22.95
“ “.....	No. 4055E.....	“	.52
File Pockets.....	No. 4516C.....	“	.33
Ribbons Typewriter, Royal Med.....		each	.34
“ “ “ “ Bl & red.....		“	.34
“ “ Und. “ “ “.....		“	.32
“ “ “ “ “.....		“	.33
“ “ Remington “ “ No. 17.....		“	.32
“ “ Electromatic “ “.....		“	.42
Brushes Typewriter Soft.....		“	.30
“ “ Stiff.....		“	.30
“ “ Cleanbest.....		“	.50
Brushes—Paste.....	Boeck No. 4.....	Each	.37
“ “.....	“ 2 inch.....	“	.58
Typewriter Oil.....		Per bottle	.20
Typewriter Cleaner.....		“	.21
Stamp Pads.....	Blue No. 1.....	Each	.25
“ “.....	“ No. 2.....	“	.39
Stamp Pad Ink.....	“.....	Per bottle	.20
Index Cards.....	5 × 3.....	Per 100	.15
“ “.....	6 × 4.....	“	.18
“ “.....	8 × 5.....	“	.23
Scratch Pads.....	Desk Sec Refills.....	“	23.54
“ “.....	No. 1 Plain.....	Each	.03
“ “.....	No. 3 “.....	“	.04
“ “.....	No. 2 Ruled.....	“	.05
“ “.....	No. 6 “.....	“	.08
“ “.....	No. 7 “.....	“	.11
Rulers.....	12 inch.....	“	.14
“.....	15 “.....	“	.18
“.....	18 “.....	“	.25
STATIONERY—Plain			
Letter Pads.....	Edgewood.....	“	.20
“ “.....	Deckletone.....	“	.22
“ “.....	Air Mail No. 111.....	“	.15
Note Pads.....	“ “ No. 110.....	“	.07
“ “.....	Treasury Bond.....	“	.18
“ “.....	Deckletone.....	“	.12
“ “.....	Cameo Vellum.....	“	.12
Deckletone Cabinets:			
Envelopes.....	Air Mail L.O.....	Per 100	.48
“.....	“ “ No. 8.....	“	1.02
“.....	“ “ No. 9.....	“	1.20
Barber-Ellis Kid Finish.....	No. 301.....	Per box	.66
“ “ “ “.....	No. 303.....	“	.93
“ “ “ “.....	No. 307.....	“	.99

Description of Item		Unit of Measure	Price
STATIONERY—Plain (Continued)			
Blotting Paper.....	Buff 19 x 24.....	Per 100	1.89
“ “.....	Hazel “ “.....	“	9.44
“ “.....	Green “ “.....	“	5.00
“ “.....	White “ “.....	“	2.39
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Staplers.....	Bostitch No. 8.....	Each	.90
“.....	“ No. 5.....	“	2.56
Staples.....	“ No. 5.....	Per box	.31
	“ No. 8.....	“	.35
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Scissors.....	8 inch.....	Each pair	1.50
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Letter Openers.....	Steel.....	Each	.17
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Letterheads			
Rolland Parchment Embossed			
English.....		Per 1000	12.01
French.....		“	11.90
“ Linen Record.....		“	10.60
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Letter Pads—Embossed			
Rolland Parchment—English.....		Each	.71
“ “ covers “.....		“	.74
“ “ French.....		“	.68
Linen Record covers French.....		“	.52
“ “ “ English.....		“	.69
“ “ “ “.....		“	.66
Air Mail “.....		“	.46
“ “ French.....		“	.45
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Note Pads, Emb.			
Rolland Parchment. Eng.....		Each	.74
“ “ covers Eng.....		“	.58
“ “ “ Fre.....		“	.62
Linen Record “ Eng.....		“	.56
“ “ “.....		“	.54
“ “ Fre.....		“	.39
Air Mail, Eng.....		“	.34
“ “ Fre.....		“	.34
<hr/>			
Note Paper—Embossed			
Chaldean Vellum, Eng. Large Octave.....		Per box	1.93
“ “ “ Small Octave.....		“	1.28
“ “ Fre. Large Octave.....		“	2.23
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Gummed Paper—Kraft 2 in. Rolls.....		Each	.90
“ “ 1 “ Roll.....		“	.35
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Memorandum Forms, Emb. Eng.....		Per 1000	12.40
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Guides—Pressboard Office Spec.....	No. 416.....	Per set	3.59
“ “.....	No. 406.....	“	2.10
“ “.....	No. 80C.....	“	3.95
“ “.....	No. 25C.....	“	1.05
“ “.....	No. 25c.....	“	.99

Description of Item	Unit of Measure	Price
Typewriter Pads.....	Each	.77
Chair Pads.....	"	1.66
Desk Sets—Esterbrook.....	Each	5.06
Correspondence Cards—Eng.....	Per 1000	7.54
“ “ Fre.....	“	7.54
Ruled Paper Single.....	Per Pkg.	.97
“ “ 8 x 13.....	“	1.44
“ “ 8½ x 9.....	“	
Paper—Emb. Foolscap Dble.....	Per 1000	19.20
“ “ Margined.....	“	20.22
“ “ 6¾ x 10½ Single.....	“	7.74
“ Foolscap single.....	“	8.16
Binders—Acco.....	Each	.68
No. B.F. 3007.....	“	.68
No. B.F. 3007.....	“	.36
No. B.F. 2507.....	“	.36
No. B.F. 07502.....	“	.40
No. B.G. 1103.....	“	.48
Folders—Acco.....	“	.45
No. A.F. 702.....	“	.45
No. 804-512.....	“	.45
No. 804-522.....	“	.45
No. 804-532.....	“	.45
No. 804-542.....	“	.45
No. 804-552.....	“	.45
Tally Sheets—Debates of the Senate.....	Per 1000	7.40
Gummed Labels—The Senate of Canada.....	“	.30
Books		
Account No. 1862C.....	Each	3.28
Address H.£P. No. 74.....	“	.76
Index No. 3149.....	“	2.04
Minute No. 1728.....	“	3.28
Govt. of Canada No. 25.....	“	.36
“ “ “ No. 50.....	“	.13
“ “ “ No. 200.....	“	1.00
Scrap Books Cat 3018.....	“	1.57
“ “ H.£P. No. 55.....	“	2.50
Memo Books, Gage Wire-O.....	“	.30
Attendance Books.....	“	1.54
Memo Pads.....	H. & P. No. 45.....	Each \$.28
Memo Pad Refills.....	H. & P. No. 45.....	“ .08
Letter Moisteners—HyDrawlic.....	Each	.20
Loose Leaf Books.....	Covers R2271.....	Each 1.30
“ “ “.....	8½ x 5½.....	“ 3.03
“ “ “.....	6½ x 3½.....	“ 1.74
Loose Leaf Refills		
Metal Reinforced.....	8½ x 14 Ruled.....	Per 1000 13.20
“ “.....	8½ x 11 “.....	“ 23.50
“ “.....	8½ x 11 “ Refill.....	“ .22
“ “.....	8½ x 11 Plain.....	“ .22
“ “.....	8½ x 5½ Ruled.....	“ .10
“ “.....	6½ x 3½ “.....	“ .10

Description of Item	Unit of Measure	Price
Place Cards—Embossed, Fre.....	Per 100	.74
Visiting Cards—Gents.....	"	.29
Ladies.....	"	.30
Knife Erasers—Rogers.....	Each	.86
Ink Erasers—Carters.....	"	.33
Linen Tape.....	1 Roll	4.20
1-in.....	"	3.76
Sealing Wax.....	Each	.98
Black.....	"	8.58
Red.....	Per box	.19
Seals.....	"	.10
Red No. 24.....	"	.10
Red No. 85C.....	"	.14
Red No. 115A.....	"	.14
List Finders—Autodex.....	Each	2.57
INKS:		
Carters—Marking.....	1 bottle	.27
Parkers 51—Blue-Black.....	"	.50
" Quink—Blue-Black.....	"	.10
Higgins, Drawing, White.....	"	.22
Carters Sunset Red.....	"	.08
Waterman Blue Black.....	"	.72
" " " 32-oz.....	"	.42
" " " 16-oz.....	"	.42
" " " 2-oz.....	"	.10
Paste—Cico.....	Each	.80
" No. 701, 32-oz.....	"	.33
" No. 724, 4-oz.....	"	.33
Calendar Pad Stands		
Ideal.....	Each	.70
Jubilee.....	"	.95
Jumbo.....	"	.83
Sponge Bowls.....	Each	.16
Sponges.....	"	.17
Adding Machine Tape.....	Each	.12
Cotton Tape, Pink.....	"	3.10
Ribbon, Beldings.....	"	1.01
No. R72.....	"	1.01
Chamois Skins.....	Each	1.86
Paper cement.....		
Carters.....	1 bottle	.26
4-oz.....		
Leads		
Eversharp—Red Tip.....	Per box	.09
" " Square.....	"	.09
Parker Writefine Long.....	"	.16
Scripto.....	"	.05
Waterman, Thin.....	"	.23

Description of Item		Unit of Measure	Price
Penholders			
Eagle	No. 1256 Poise Red.....	Per dozen	.85
"	No. 1257 " Black.....	"	.85
"	No. 1008 Assorted.....	"	.56
"	No. 1015A ".....	"	.67
"	No. 2 Medium.....	"	.55
Pencils			
Dixons	No. 2210 Red & Blue.....	Per dozen	.38
Eagle Mirado	No. 174.....	"	.48
"	No. 174.3/H.....	"	.32
"	Turquoise No. 375H.....	"	.74
"	Prismacolor No. 901.....	"	.63
"	" No. 903.....	"	.63
"	Verithin No. 739.....	"	.60
"	" No. 741.....	"	.68
"	" No. 745.....	"	.68
"	" No. 748.....	"	.68
Govt. of Canada	Indelible.....	"	.39
"	" " No. 79 Red & Blue.....	"	.23
"	" " No. 1917.....	"	.23
Venus—Drawing	No. 3800 B.....	"	.74
"	No. 3800 3H.....	"	.74
"	No. 3800 6H.....	"	.74
"	No. 6328 Red & Blue.....	"	.48
Erasers			
Viceroy	No. 111.....	each	.03
"	No. 222.....	"	.03
Art Gum.....	11 x 1 x 1.....	"	.03
Blaisdell.....	No. 535.....	"	.01
Eberhard.....	No. 101.....	"	.03
".....	No. 102.....	"	.03
".....	No. 6580.....	"	.05
".....	/1087.....	"	.14
Paper Clips			
Paper Clips.....	No. 1.....	box	.05
".....	No. 3.....	"	.04
Ring Clips.....	No. 1.....	"	.10
".....	No. 2.....	"	.19
".....	No. 3.....	"	.08
".....	No. 4.....	"	.50
Owl Clips.....	No. 1.....	"	.10
".....	No. 3.....	"	.12
Grafcco Clips Vise.....	80.....	"	.24
Tip Top.....	No. 9.....	"	.05
".....	No. 2.....	"	.08
Paper Clamps			
Paper Clamps.....	No. 1 Jumbo.....	box	.21
".....	No. 2 ".....	"	.15
Paper Fasteners			
Paper Fasteners.....	O. K. 2B.....	box	.10
Govt. of Canada.....	No. 1.....	"	.16
".....	No. 2.....	"	.19
".....	No. 3.....	"	.22
".....	No. 6.....	"	.80
".....	No. 9.....	"	1.82
Diamond.....	No. 4.....	"	.27
Pinchon.....	No. 1A.....	"	.10
Glue			
Lepage.....	No. 30.....	tin	.26
".....	No. 32.....	"	.70
Thumb Tacks			
Thumb Tacks.....	No. 5.....	box	.07
".....	No. 3.....	"	.36

Description of Item		Unit of Measure	Price
Index Tabs.			
Excell Tabs.....		box	.33
Mak-Ur-Own.....		"	.34
Speedo ".....		"	.33
Desk Pads.			
Cat.....	No. 4126	each	1.06
H. & P. Red Flex.....	12 x 19	"	1.24
" " Spec. Senate Chamber.....		"	2.00
Pen Nibs			
Esterbrook. Bank.....	No. 14	gross	1.48
" Falcon.....	No. 048	"	1.68
" Probate.....	No. 313	"	1.48
" Relief.....	No. 314	"	1.86
" Transmitter.....	No. 672	"	2.20
" Radio.....	No. 930	"	1.86
Gilott.....	No. 303	"	1.64
Govt. of Can.....	No. 10	"	.98
J. Heath.....	No. 078M	"	1.68
Mitchell Bull.....	No. 0167	"	.88
" J.....		"	.88
Ormiston Glass Firefly.....		"	1.28
" Silver Quill.....		"	1.70
Parsons.....	No. 200	"	1.70
".....	No. 240	"	1.70
".....	No. 250	"	1.70
".....	No. 260	"	1.70
".....	No. 280	"	2.80
".....	No. 290	"	1.70
Turner & Harrison.....	No. 30	"	1.20
".....	No. 34	"	1.20
".....	No. 39	"	1.20
".....	No. 311	"	1.20
Walkers Anchor.....		"	2.20
Speaker of the Senate Stationery.			
Letterheads.			
Eng.....		M	16.23
Fre.....		M	12.52
Envelopes			
Blue Jay Vellum.....	4½ x 5½	100	2.97
" " ".....	5 x 6½	100	2.64
" " ".....	6 x 7½	100	3.30
Cameo Vellum Club.....	Eng.	100	2.00
Chal " ".....	4½ x 5½ Eng.	100	1.15
" " ".....	4½ x 5½ "	100	3.46
Roll Parchment.....	3½ x 4½ Eng.	100	2.50
".....	No. 9	100	1.96
Cameo Vellum Club.....	Fre.	100	2.06
Chal Vellum.....	No. 9 Fre.	100	.90
Roll Parchment.....	3½ x 4½	100	1.17
Chal Vellum.....	4½ x 5½	100	1.17
Cards.			
Correspondence.....	Eng.	100	.88
".....	Fre.	100	.65
Menu.....		M	18.60
Place.....		M	66.00
Notepaper.			
Cameo Vellum Club.....	Eng.	box	2.75
Chal Vellum, small Oct.....	"	"	1.74
" " large Oct.....	"	"	1.86
Roll Parch ".....	"	"	2.00
" " small Oct.....	Fre.	"	2.00
Chal Vellum, large Oct.....	"	"	1.54
Cameo Vellum Club.....	"	"	2.75

Description of Item	Unit of Measure	Price
Speaker's Stationery—Concluded		
Invitation Cards. Dinner, Joint.....	100	7.61
Lunch.....	"	7.65
Reception.....	"	7.48
Lunch, Speaker.....	"	7.71
Mrs. Robertson.....	"	7.71
Reception, Speaker.....	"	7.28
Mrs. Robertson.....	"	7.34

Leader of the Government Stationery		
Notepaper. Chaldean Vellum Eng.....	box	1.74
" " Fre.....	"	1.48

Correspondence Cards Eng.....	M	21.15
Fre.....	100	2.66

Letterheads Eng.....	M	18.59
Fre.....	"	11.99

Envelopes Cartridge Eng..... No. 9.....	M	18.59
" Fre..... No. 9.....	"	13.23
Chal Vellum Eng..... 4½ x 5½.....	"	14.56
" " " 4½ x 5½.....	"	12.34
" " Fre..... 4½ x 5½.....	"	11.94

Leader of the Opposition Stationery		
Letterheads Eng.....	M	14.00
Correspondence Cards Eng.....	100	.66
Envelopes Rolland Parchment Eng..... No. 9.....	M	19.40
Chaldean Vellum " 4½ x 5½.....	"	13.22
Cartridge..... No. 11.....	"	11.78
Clerk of the Senate Stationery		
Letterheads.....	M	11.32

Certificates Her Majesty.....	M	7.36
" Sa Majeste.....	"	7.36
" R.S.C. 1952.....	100	7.22
" His Majesty.....	M	8.07
" J. F. MacNeill Eng.....	"	7.37
" " Fre.....	"	7.37

Forms. Clerks Account Forms.....	M	5.80

Gent Usher of the Black Rod Stationery		
Letterheads. Eng.....	M	21.29
" Fre.....	"	11.96

Envelopes. Rolland Parchment Eng..... No. 9.....	M	26.12
Cartridge Fre..... No. 9.....	"	12.04
Rolland Parchment Fre..... No. 7.....	"	15.70
" " Eng..... No. 7.....	"	15.70
Cartridge " 4½ x 5½.....	100	1.28
" " 4½ x 5½.....	"	1.20
" Fre..... 4½ x 5½.....	"	1.20
" " 6 x 7½.....	"	2.58
" Eng..... 6 x 7½.....	"	2.58

Forms. Leave of Absence. (bil.).....	M	15.36

Description of Item	Unit of Measure	Price
Law Branch Stationery. Letterheads.....	M	4.76
Folders. Special. Bills. Red.....	100	7.39
" " Sen. " Orange.....	"	5.36
" " H. of C. Blue.....	"	5.36
Receipt Books.....	each	1.45
Books of bill numbers. Large.....	100	45.68
" " " Small.....	"	27.30
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Committees Branch Stationery		
Letterheads.....	M	\$6.39
Envelopes.....	100	.76
Cart. No. 9.....	100	1.05
Kraft 7½ x 10½.....	100	2.48
Receipt Books.....	each	2.19
File Memo Sheets.....	M	5.35
Motion Sheets.....	M	7.12
Notice Sheets.....	M	3.50
8 x 13 large crest.....	M	
8 x 10 small crest.....	M	
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Debates Branch Stationery		
Letterheads.....	M	13.11
Envelopes.....	100	1.29
Cart. No. 9.....	100	1.29
Kraft 7½ x 10½.....	100	1.29
Kraft 9½ x 15.....	100	8.39
Senators Revision.....	M	6.87
Forms.....	M	7.80
Tally Sheets.....	M	16.29
Transcript Paper.....	M	16.29
Memo Pads.....	100	1.28
Black on Blue.....	100	
Black on White.....	100	
Receipt Books.....	each	
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Treasury Office Stationery		
Envelopes.....	M	6.94
4 x 9 White Wove.....	M	6.44
4½ x 9½.....	M	6.30
Ledger Check Sheets.....	M	27.35
Forms—Pay Lists.....	M	5.34
Payroll Deduction.....	M	18.95
Commutation.....	M	18.95
Statement.....	M	
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Messenger Service Stationery		
Books—Messenger Service.....	each	1.75
Forms—Service Book.....	M	38.32
" Time Sheets.....	M	18.77
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Post Office Stationery		
Postal Slips.....	M	1.70
Account Forms.....	M	11.46
Certificates of Registration.....	M	2.35
Forward Letter Division Slips.....	M	3.15
Ask for Parcel Cards.....	M	3.16
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Protective Service		
Senate Daily Police Sheet No. 1.....	M	26.84
Senate Telephone Pads.....	each	.29
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Forms: Miscellaneous.		
Division Lists.....	M	37.25
Common's Bill Forms.....	M	14.63
Senate Bill Forms.....	M	14.63
Senator's Stationery Accounts.....	M	34.61
Journals Branch Memo Pads.....	each	.33

THE SENATE

Thursday, February 14, 1957

The Senate met at 3 p.m., Hon. Paul H. Bouffard, Acting Speaker, in the Chair.

Prayers.

Routine Proceedings.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

The motion was agreed to.

SENATE STATIONERY**INQUIRY AND ANSWER**

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

What amount of office stationery, supplies and equipment has been supplied by the Senate stationery branch during each of the last ten years

(a) to the three offices of the Speaker of the Senate, and the Leader of the Government in the Senate, and the Leader of the Opposition in the Senate, collectively;

(b) to each one of the branches of the Senate; and

(c) to other members of the Senate, collectively?

Hon. Mr. Macdonald: The answer to the honourable gentleman's inquiry is as follows:

FEBRUARY 14, 1957

	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Hon. The Speaker, Leader of Government, Leader of Opposition.....	484.59	213.02	173.78	382.19	225.90	149.29	125.53	382.12	224.12	255.64
Hon. Senators.....	2,252.85	1,451.24	1,325.12	2,041.40	2,139.93	2,554.11	1,626.57	1,724.46	1,462.06	1,984.40
Asst. Black Rod.....	87.72	174.93	35.29	72.81	104.51	123.41	150.09	161.77	33.07	56.48
Asst. Clerk.....	6.64	2.69	8.87	12.24	21.97	19.07	31.70	36.34	52.39	90.52
Char Service.....	—	—	—	10.97	46.30	17.73	16.93	60.24	22.46	12.11
Clerk of Senate.....	12.50	20.01	61.53	138.15	259.10	97.19	44.07	43.80	45.43	99.35
Committees Branch.....	502.86	453.28	57.81	220.93	405.76	233.44	517.30	308.42	338.36	413.91
Debates and Reporting Branch.....	137.93	189.12	1,003.47	217.65	589.53	339.92	1,738.17	2,432.96	1,691.32	1,476.12
Gentleman Usher of the Black Rod.....	56.49	41.85	207.47	150.69	43.98	88.21	52.45	70.35	55.66	99.51
Law Branch.....	4.87	20.89	8.78	59.63	225.00	64.41	61.17	72.36	64.69	50.54
Messenger Service.....	7.40	9.57	18.93	85.72	107.85	21.41	29.74	50.33	54.04	35.05
Minutes and Journals Branch.....	—	5.49	—	14.72	17.19	20.76	27.28	3.94	108.76	78.93
Post Office.....	28.45	13.94	22.15	24.70	49.36	35.20	40.81	27.85	18.13	18.75
Protective Staff.....	—	2.23	6.49	8.39	42.26	14.47	17.12	6.74	11.45	10.77
Reading Room.....	2.06	—	5.83	50.58	14.48	6.41	6.22	2.53	2.19	6.29
Repair Service.....	7.00	14.35	90.30	44.62	103.23	142.68	15.86	26.15	26.81	31.36
Stationery Branch.....	2.65	1.80	6.15	6.38	12.83	14.77	7.47	4.23	4.41	7.43
Stenographic Branch.....	386.40	560.37	225.66	452.39	1,157.47	771.88	907.36	434.63	486.35	642.18
Stenographic Branch—Bilingual.....	120.55	273.92	189.38	325.80	177.32	193.34	134.09	115.52	182.45	274.88
Translation Branch.....	24.29	154.11	39.85	71.51	123.77	63.78	62.12	63.95	72.46	64.43
Treasury Office.....	28.90	26.84	84.35	132.57	106.81	403.04	116.57	150.84	132.25	232.40
Miscellaneous.....	—	1.50	—	—	—	—	—	—	—	—

INTERNAL ECONOMY COMMITTEE—REPORTS
OF SUBCOMMITTEE ON STATIONERY

Hon. Jean-François Pouliot moved, pursuant to notice:

For a copy of each one of the annual reports of the Subcommittee on Stationery to the Committee on Internal Economy of the Senate during each one of the last twenty years.

Hon. W. Ross Macdonald: Honourable senators, I have the documents asked for in the motion of the honourable gentleman from De la Durantaye (Hon. Mr. Pouliot) and I shall table them. Before doing so, however, may I refer to the remarks which were made in this house yesterday respecting the Stationery Branch of the Senate.

Upon inquiry I found that the Subcommittee on Stationery reported to the Internal Economy Committee in August last, and the report of the final meeting of the Internal Economy Committee at the main session of 1956 reads in part as follows:

After some discussion, a decision was reached whereby the Subcommittee would recommend to the Internal Economy Committee that each honourable senator's stationery account be limited to the sum of \$30 per annum, with the exceptions of the offices of the Speaker of the Senate, and the Leaders of the Government and the Opposition in the Senate. There would, however, be no limitation in the case of a newly-appointed senator during his or her first year in office, in order that all his or her basic requirements might thus be obtained. Furthermore, when the abovementioned quota has been reached, that the Chief of the Stationery Branch be instructed to forward a circular letter to honourable senators, requesting their co-operation in limiting their requests to this figure.

That report was approved by the Internal Economy Committee, and I am informed that the Chief of the Stationery Branch was accordingly instructed to send copies of the letter referred to in the report to each senator when his or her stationery account had reached \$30. Honourable senators, the Chief of the Stationery Branch, having received those instructions, had no alternative but to send the notice.

Hon. Mr. Horner: That is right.

Hon. Mr. Macdonald: If he had not done so it would have been, at least, insubordination, and if he had continued to refuse to obey his instructions, I suppose he might have lost his job. Having carried out his instructions, there was criticism. May I say that the criticism is not all from one member of the Senate. I find that the Chief of the Stationery Branch is a capable and courteous official. He was given instructions, which he carried out, and as a result a number of senators have spoken to me. They do not all complain about the Chief of the branch, but they feel that the Internal Economy Committee should not have put him in the position in which he was placed. If that is so, certainly all the

members of the committee must take part of the blame; and I, being a member, am prepared to take my share of the blame.

Hon. Mr. Aseltine: The members of the committee should take all the blame.

Hon. Mr. Macdonald: I said the members of the committee must take part of the blame. I meant that the rest of the blame should be taken by all senators generally, because the report of the Internal Economy Committee was approved by this house. So we must all take some of the blame, and some a little more than others.

I think the letter might have been worded a little differently, but in all fairness to the Chief of the Branch, I would point out that the letter as worded was approved by the Subcommittee on Stationery, so the Chief was just working as an agent for the committee.

I would express my personal opinion now that if this matter were to come up again we should not try to prevent senators from getting all the stationery they need for their requirements. I will support a motion to that effect when the matter comes before the Committee on Internal Economy at a future time. In the meantime, I have been assured that no honourable senator has been refused stationery. Indeed, it was not the intention of the committee that any senator should be refused. I have been assured further that every honourable senator will receive all the stationery he requires until the next meeting of the Committee on Internal Economy and, I hope, afterwards as well. In view of the discussion which has taken place in this chamber, I think it would be well for the Committee on Internal Economy to meet in the near future. As chairman of that committee, I would ask that the committee be convened.

Hon. Mr. Euler: May I ask a question? Will the letters continue to be sent out?

Hon. Mr. Macdonald: Well, I am only one member of the committee.

Hon. Mr. Aseltine: Careful!

Hon. Mr. Macdonald: I would suppose that unless the Chief of the Stationery Branch gets instructions to the contrary, he would continue to carry out his present instructions. However, there will be a meeting of the Committee on Internal Economy in the very near future, and it is unlikely that that problem will arise.

Hon. Mr. Horner: May I suggest that consideration be given to the appointment of a new chairman of the subcommittee?

Hon. Mr. Macdonald: I do not think a change would meet with general approval.

The motion was agreed to.

Hon. Mr. Pouliot: Honourable senators, all's well that ends well.

ORDER FOR RETURN—REPORTS TABLED

On motion of Hon. Mr. Macdonald, it was ordered that an Order of the Senate do issue for a copy of each one of the annual reports of the Subcommittee on Stationery to the Committee on Internal Economy of the Senate during each one of the last twenty years.

Hon. Mr. Macdonald: I now table these reports.

PRIVATE BILL

GOVERNING COUNCILS OF SALVATION ARMY—FIRST READING

Hon. Muriel McQ. Fergusson presented Bill U-5, an Act respecting the Governing Council of the Salvation Army, Canada East, and the Governing Council of the Salvation Army, Canada West.

The bill was read the first time.

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

Hon. Mrs. Fergusson: Wednesday next.

CANADIAN WHEAT BOARD BILL

MOTION FOR SECOND READING— DEBATE ADJOURNED

Hon. Norman P. Lambert moved the second reading of Bill 9, an act to amend the Canadian Wheat Board Act.

He said: Honourable senators, Bill 9 provides for a short and simple amendment to the Canadian Wheat Board Act, whereby an important section of Parts II and IV may be applied legally for another four years. While this amendment is short and easily understood, the act which it seeks to amend has a long and historic background, extending into the early years of this century. I do not propose to attempt a historic review of that period in connection with grain marketing, although I am sure in more competent hands a very romantic story could be told at this time.

At the outset of my remarks I should like to refer briefly to this type of legislation. In the economy of this country grain has for many years bulked large. It represented for a long time the largest single item in this country's trade and commerce, and it still represents a large and important part of it.

The point I would like to make is that the grain growing and grain marketing industry is not a local western interest, but a national matter of first importance. No subject is more consistently and voluminously represented in the Statutes of Canada over the last 50 years than is this one.

As a step toward the largest possible measure of national unity in this country I think it would be rather good practice in the Senate to have bills like this one frequently presented by members from parts of the country other than the western provinces. My own case is possibly an exception, because I happened to live and work for a number of years in the west and was actively in contact with organized grain producers and the marketing trade. But I am sure that many members from Ontario and other eastern provinces could without great effort acquire the necessary data and information and deal with grain marketing legislation as effectively as, and possibly with better perspective than, those with western experience who are generally shouldered with these bills.

Someone said to me some time ago that a member of Parliament, if he was going to be of any use, should know what is in the British North America Act. I should be inclined now to say that he ought to know also what is in the Canada Grain Act, the Canadian Wheat Board Act, the Income Tax Act and all legislation relating to transportation and rates.

If I might refer now a little further to the historical background of the legislation before us today, I would like to say that we are fortunate in having as a member of this chamber our respected colleague the honourable senator from Churchill (Hon. M. Crerar), who is a living and active link with the early beginnings of grain marketing legislation in this country.

Hon. Senators: Hear, hear.

Hon. Mr. Lambert: Through the activities of that agrarian movement, the grain growers' associations of the various provinces, of which he was one of the leading pioneers, much of this kind of legislation was initiated. On one or two previous occasions he has given this house a glimpse of that earlier period with which he was so closely associated and I hope that he may do so again on this occasion.

Hon. Senators: Hear, hear.

Hon. Mr. Lambert: Indeed, if it were not for his innate modesty and generous inclination to paying flattering compliments to others, I think that he instead of myself should be introducing this legislation today.

However, I have an idea that some points of criticism have been incubating in the back of his head which might make him willing to let me be the "goat" on this occasion. He has been celebrating lately an anniversary or two, including the fiftieth birthday of the United Grain Growers Limited, of which he was the first president.

I would like to draw attention to another anniversary of equal distinction which is falling due this year. One of the by-products of the grain growers' movement in western Canada, which was largely responsible for the first federal legislation regarding the marketing of grain, was a leader who sits among us today as the oldest living privy councillor in this Parliament and the fourth ranking privy councillor in Canada (Hon. Mr. Crerar). Forty years ago this year, at a time of crisis in the affairs of this country, he came direct to Ottawa from the presidency of the United Grain Growers Company, with the full approval and support of that co-operative organization, to be Minister of Agriculture in the Union Government administration of Sir Robert Borden. When the First World War was over he resigned from his important ministerial post to become the political leader of the same agrarian group which sent him here in the first place and which had expanded into what became known as the Progressive party. In the federal election of 1921 that group returned to Parliament a solid block, with the exception of one seat — Regina — of representatives from the three middle western Prairie provinces. It is important to record that two years before, in 1919, not long after he had re-resigned from Sir Robert Borden's Government, the first Canadian Wheat Board was set up by that Government to take charge of the marketing of wheat during the crop year 1919-20. That board was established not so much by reason of the demands from the producers or the trade of western Canada as because of circumstances affecting the economy of Great Britain and the United States, whose efforts gradually to liquidate the accumulation of supplies Canada agreed to assist. That accumulation had developed during the last few years of the war; and I am sure a good many people will remember that that war came to an earlier conclusion than even the best informed authorities anticipated. It was a historic year, because it marked the beginning of a demand from western grain producers for the continuation of government control of wheat marketing through a government wheat board, and it was one of the issues which had considerable influence on the outcome of the election of 1921.

When it became evident here in Ottawa that public opinion elsewhere in the country was not as favourable to a continuing wheat board as it was in the western provinces, the organized farmers, first of Alberta, then of Saskatchewan and Manitoba, took active steps towards establishing their own wheat board in the form of an organization which became known as Canadian Wheat Producers Limited, or, in more popular language, the Wheat Pool. By the year 1925 the wheat pool movement was going strong, and to it was transferred much of the vigour and enthusiasm which marked the rise of the Progressive party.

As the honourable senator from Churchill can, I am sure, eloquently testify, the Wheat Pool flourished for five years on a buoyant world's market for wheat, and then it hit a toboggan slide with the economic upheaval which affected all parts of the world in 1929-30. At that time the federal Government, under the Right Honourable R. B. Bennett, went to the rescue and appointed a wheat stabilization agency, under the direction of the late John I. McFarland, of Calgary, to take charge of the Wheat Pool's unmarketed grain. When the Mackenzie King Government came into power in 1935, and brought back into office with it the honourable senator for Churchill, a new wheat board was set up to take the place of the stabilization agency which had been under the direction of Mr. McFarland. That board was established by the act which it is proposed to amend today. During the 22 years since the act was passed, nine amendments to it have been adopted by the federal Parliament. The one before us represents the 10th; and it, like the others, has been passed in the House of Commons without a division. The reason for this unanimity is the steady and consistent support which the wheat board system has received from the vast majority of western producers.

Much has been said, and much still may be said, as to the respective virtues of private enterprise and the open marketing system as compared with the operation of state control in the disposition of western grain crops. But there can be no doubt about the support of the present system by the organized grain producers in the west and by a very large section of the trade as well.

When the King Government took office in 1935, one of the declarations of policy which it brought with it was that "Liberalism is individualism helped by the state." Those here who remember that saying will also recall that it had considerable appeal in certain parts of this country. I contend that this wheat board legislation, after 22 years, is pretty fair evidence that the present Government has been loyal and true to the professions of its predecessor.

I have left to the last of my remarks references to the actual operations of the Wheat Board. Probably some honourable senators will raise questions and some criticism regarding its performance as a marketing organization. I shall do my best to make any contribution I can in that connection, but I would observe that much information of a detailed character is contained in the recently published report of the Canadian Wheat Board for the crop year 1955-56. And I propose, if the bill is given second reading, to move that it be referred to the Standing Committee on Banking and Commerce, where officials of the Canadian Wheat Board and of the Department of Trade and Commerce will be available to furnish detailed information that might be required.

I should like to say now, however, that I think the Wheat Board has served this country well and has faced up to a difficult domestic situation, as well as a baffling international one, with skill and ability. In the face of disrupted values of monetary exchanges throughout the world and notwithstanding nature's overly bounteous crops of recent years which have created unprecedented surpluses in Canada as well as in the United States, the work of those in charge of the Wheat Board's operations has in my opinion, been creditable indeed.

As the Wheat Board's report shows, last year's exports of wheat and wheat flour, amounting to almost 310 million bushels, rank with those of the best years in our history. There has also been an increasing domestic consumption of wheat. In the export field there has been a very noticeable readjustment or reorientation of supplies from this country to markets where our wheat previously went in small amounts only; so at this stage there is every reason to think that, even with the large surpluses around us, there will be a far-reaching change in the development of our grain trade both within this country and without.

As the minister stated in the other house:

Had crops been average, or even moderately average, in recent years, not a bushel of grain would be on farms today other than grain that the farmer himself preferred to hold.

It is not given to many of us to penetrate the inscrutable face of Providence when we estimate the future climatic conditions of the west or any other region. But one thing we may be thankful for, I submit, is that our problems with respect to wheat are not those resulting from poverty, as they were in the drought-stricken years of the early thirties.

Hon. Senators: Hear, hear.

Hon. Mr. Haig: Honourable senators, I asked the honourable senator from Ottawa

(Hon. Mr. Lambert) if he would be good enough to get certain information for me with respect to wheat held in storage. I wonder if he could give me that information now.

Hon. Mr. Lambert: The honourable Leader of the Opposition (Hon. Mr. Haig) was good enough to ask in advance for information as to the supplies of wheat on hand for the period from October 1955 to October 1956, and also at January 1956 and January 1957. I have that information and it is as follows:

Wheat on hand in all positions as shown in the *Grain Statistics Weekly*, published by the Bureau of Statistics, and reports of the Canadian Wheat Board:

	October 1955 Bushels	October 1956 Bushels
Wheat on hand		
Country elevators	214,882,000	204,511,000
Interior private and mill elevators	155,949,000	136,707,000
Interior terminals		
West Coast terminals		
East Coast terminals		
Lake Head terminals		
Bay, Lake and Upper St. Lawrence ports		
In transit by lake and rail (east)		
Canadian total in store ..	370,831,000	341,218,000
U.S.A. total in store	128,000	81,000
	370,959,000	341,299,000
Wheat on hand		
	January 1956 Bushels	January 1957 Bushels
Country elevators	213,600,000	221,102,000
Other positions	151,123,000	135,818,000
In store, Canada	364,723,000	356,920,000
In store, U.S.A.	103,000	504,000
Totals	364,826,000	357,424,000
On farms (estimated at end of crop year)	100,855,000	165,205,000
Total	465,681,000	522,629,000

Honourable senators who are familiar with this subject will appreciate that the figure given for the amount of wheat on hand on farms is only an estimate.

On top of the figure of 522,629,000 bushels as at January 1957 must be placed the production figure in relation to the crop of 1956-57, less country marketings from August 1 to January 30 last. This figure would amount to 361,000,000 bushels, making in all, as at January 30, supplies on hand totalling 883,629,000 bushels. It should be realized that owing to a number of uncertain factors the quantity of undelivered stocks on farms is very difficult to determine. At best it must be regarded as an approximate estimate.

The Wheat Board, before the New Year, sent out a questionnaire seeking to ascertain

the prospective deliverable amount of wheat by farmers to elevators during the period from January 31 to July 31 of this year. Replies to that inquiry have shown an amount of 461,900,000 bushels. This figure does not include the unknown quantity consumed locally on the farms in the form of seed, feed and private trading.

That is the information I have secured bearing on the questions asked me by the honourable Leader of the Opposition (Hon. Mr. Haig). I might also refer him to the annual report of the Wheat Board, particularly to page 4, table 4 of the addenda, which gives a statement of supplies by years, including the estimated ones for 1956-57. That figure as at August 1 last was given as 1 billion bushels. Some of the figures I have given might be subject to questioning by the committee. In any event, that was all the information bearing on this question that I could secure.

Hon. Thomas Reid: Honourable senators, may I say at the outset that I am not rising this afternoon to protest against or to object to the bill. I have in mind the airing of a serious grievance against the Wheat Board affecting the farmers of British Columbia, but before doing so I want to mention one or two other things, for I think this is the opportune time to do so.

When assistance to the eastern and western provinces with regard to wheat shipments was discussed here, I believe the honourable Leader of the Opposition (Hon. Mr. Haig) was very critical of the assistance given. Since then I have reviewed some of the benefits which the wheat farmers of the Prairie provinces have received, as against some of the disadvantages which we in British Columbia are suffering.

Before proceeding further, may I say that I was particularly pleased when the Minister of Trade and Commerce made it quite clear in the other house that despite suggestions by the Opposition he was not going to make this legislation permanent. We in British Columbia believe that the railway that was built to Churchill was built primarily for the wheat producers of the three western provinces. We further believe, rightly or wrongly, that the \$65 million which they received a few years ago was a gift from the Canadian people, moneys received from the British funds that came back, and we are of the opinion that perhaps some \$32 million more may have to go out of the treasury this year toward storage. There is something more than finance, however; they have protection against importations and control of all the grains, not only from outside but within the provinces. No wheat can be

bought or sold except through the Wheat Board. As I stated when I spoke on this matter previously, and I repeat it now, in our opinion it is one of the greatest Government monopolies in Canada. As to the powers, I will quote from what the Minister of Trade and Commerce said in the House of Commons on February 8, as reported in the Commons *Hansard*, at page 1129:

I would point out, Mr. Chairman, that the Canadian Wheat Board Act involves the compulsion of the ordinary citizen. A man can object to this method of wheat marketing as much as he likes, but if he does not follow the rules prescribed by this act, a sheriff comes to his home and hauls him before the court.

I think I am on good ground when I quote from the *Regina Leader-Post*, which was quoted by the *Financial Post* in today's issue, and which reads as follows:

Extension of the Wheat Board's activities as proposed by the Gordon Commission Report gets a chilly reception from the *Regina Leader-Post* which observes: "The administrative bureaucracy required to carry out these duties would be large and costly, an added bill for the farmers, or the nation, to pay. But that is a relatively minor objection against a procedure which would place the wheat producer almost completely at the mercy of the monopolistic government bureaucracy. Our state grain marketing monopoly has been tolerated only as a temporary expedient until conditions in the world market are conducive to a return to normal marketing procedures which apply to most other farm products. Were the commission's recommendations to be followed, it would not only be given extended powers but its abrogation of the basic freedoms of wheat producers would be perpetuated."

Those words do not come from the senator from New Westminster, but from a paper in the midst of the wheat growing district. The mover of this bill today overlooked one important factor. I am not by any means setting myself up as an authority on the Wheat Board Act, because I am not; indeed, many members here can speak more fluently on the subject, as, for instance, the honourable senator from Churchill (Hon. Mr. Crerar). However, I well remember that in 1935, when the act was first introduced, many farmers of that day were very skeptical of the Wheat Board for one particular reason. If my memory serves me, there was quite a strong feeling throughout the country that the farmers were asking or striving for too high prices for farm produce. The statement was made time and time again that if care was not taken the various countries that were buying wheat from Canada might be forced into the wheat growing business themselves. Many farmers feared that the setting up of the Wheat Board might have the effect not of raising prices but of holding prices down.

Right here, may I point out particularly to the Leader of the Opposition (Hon. Mr. Haig) that we in British Columbia—and I say "we" generally—supported the taking of

grain out of the Winnipeg Wheat Exchange. But I remember very well receiving a long petition when I was the Member of Parliament for New Westminster. There had been something like 500 names affixed by members of various farmers organizations in the lower mainland, supporting a resolution to establish a wheat marketing board in order to take the wheat out of gambling, so to speak. When this resolution came to me, they stated: "If you do not support this you will receive no votes from the above signers." I warned them that they would be called upon to pay for the wheat. Well, honourable senators, I have always held that when there is a principle at stake one should stand for that principle. I did not support the resolution on that occasion and, strange to say, I had no difficulty in being re-elected. It shows that the effect of some of these petitions is not very great. I mention that by the way.

I want to speak now about the disabilities that we in British Columbia are suffering from in relation to Wheat Board regulations. First of all, the farmers of British Columbia are suffering from importations of poultry, turkey, eggs and potatoes from the United States. Oh, it is not the same as wheat, for you cannot import any wheat—they have a closed corporation in the Prairie provinces. We cannot buy wheat except through the board; we cannot even buy it from the farmer, but I will deal with that a little later. Due to the terrifically high prices of wheat and feed grains we cannot compete with farmers in Alberta, Saskatchewan and Manitoba who go into the poultry and turkey raising business, because in most instances they have and use their own wheat at about half the cost which we in the province of British Columbia are compelled to pay, owing particularly to the high freight rates. The flooding of our markets with poultry, eggs, and like produce is a matter of great concern to us. The three Prairie provinces are able to feed poultry with low-cost grain, and that has quite a bearing on the price which our farmers receive when they go to market turkeys, poultry and other farm products for sale.

Again, in the interior of British Columbia cattle are being shipped to Alberta to be finished as beef and are grain fed. The beef then comes to Vancouver and may go back up again to the interior, almost to the place where the cattle were shipped from. We cannot afford to buy the grain and compete with Alberta.

In 1956 more than 22 million pounds of poultry entered Canada from the United States. Had this poultry been raised in Canada, as it could have been, it would have created a domestic market for about 125,000

tons of wheat from the three Prairie provinces. Is the domestic market to be ignored? Are we going to let the Prairie farmer say to us, "I am not interested in what you buy or what you pay for it; I am just interested in what wheat we sell abroad"?

May I point out that with respect to one grade of wheat at least, Durum wheat, the act allows the charging of a higher price to the Canadian consumer than to the buyer abroad. Well, I have heard a lot of complaints about dumping on the part of the United States, and I am very much against allowing that country to send produce here at lower prices than it is being sold at across the line. Of course it can be done quite easily, now that the Canadian dollar is valued about 4 per cent above the U.S. dollar. But to allow the Canadian farmer to charge the domestic market more than a foreign market is to my mind a form of dumping.

I have the same complaint with respect to the marketing of potatoes. However, I am pleased that at last there is some evidence of progress in this field. But ever since I have been attending Parliament in Ottawa I have protested to the utmost of my ability against the great quantities of potatoes which come here from the United States. In some areas down south the growers get as many as three crops a year to our one. They flood the Canadian market just when our early potatoes are ready, and down goes the price.

Honourable senators, I hope that some arrangement can be arrived at whereby we will concentrate more effort on farming generally in this country. I am one of those who believe that farming should not be neglected but should be encouraged in every province. I say again what I have said many times: one of the reasons why we have had difficulty in getting redress in British Columbia is that we lack voting strength. If anyone can contradict that statement, let him do it. We have too few people and too few members of parliament interested in agriculture to get the things we should get. But when the Prairie provinces go after something they act as a group, and their voice, certainly here in Ottawa at least, is a very loud one. The honourable Leader of the Opposition (Hon. Mr. Haig) laughs at that, but he knows it is true; and it would be true regardless of what party was in power. I am stating facts now, and I know whereof I speak.

Let me return, however, to the general question of agriculture. We are being carried away these days by the prophecies and the rosy pictures painted by the Gordon report; we are lost in the great dream of industrial development and a general business boom, with huge pipe lines being built

and other ventures bringing millions of dollars to the country. But I think it is well that we keep in mind the value and use of the farm land of this country.

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Reid: True, Canada has vast territories, but we must remember that our resources are not inexhaustible. Upon checking with the Bureau of Statistics I find it predicts that within 22 years many minerals will be exhausted in this country. The United States has exploited its minerals and oil, and now it is coming to help us exploit and take our treasures from the earth.

Hon. Mr. Connolly (Ottawa West): Is it not a fact that the Bureau of Statistics talks about the exhaustion of mineral resources only on the condition that no further discoveries are made?

Hon. Mr. Reid: I would assume that the Bureau of Statistics, with its level-headed body of men, is well aware of the fact that there are vast territories in this country which have never been explored. I assume, therefore, that that fact would be taken into consideration.

Hon. Mr. Euler: May I ask what minerals would be exhausted within a period of 22 years?

Hon. Mr. Reid: I do not have that information at hand, but I will give it to my honourable friend afterwards. As I recall it, three minerals were mentioned which would be exhausted over a period of from 22 to 64 years. When I say I will give my friend the information afterwards, I do not imply that there is any secret about it.

Honourable senators, I should like to take a few moments to discuss land areas in Canada, in an endeavour to bring home the fact that, extensive as this country is, it has not the agricultural land that many people think it has. We are envisaging a population of perhaps 30 million people by the year 1980. If that prediction materializes, we should be thinking about how these people are going to be fed. I note according to the latest Year Book published by the Bureau of Statistics that the total land area in Canada is, in round figures, 3,577,000 square miles. Of that area 40 per cent or some 1,458,000 square miles, is in the Yukon and the Northwest Territories. The official figures which I have in my hand give the agricultural land of all the provinces as well as for the country as a whole. The total agricultural land in Canada is estimated at 552,725 square miles, which is only 15 per cent of the total area. A great deal of our land is rock and mountain, much of

it is in the frozen north and some of it is under forest. Indeed, some of our land should never grow anything else but trees.

Hon. Mr. Burchill: Hear, hear.

Hon. Mr. Reid: Some proper plan should be inaugurated whereby we could restrict the land suitable for timber to that purpose only. I am one of those who believe that the best way to produce or reproduce timber is by encouraging the growing of trees by farmers, instead of mainly by big companies as we are now attempting to do it.

I note with interest that Saskatchewan has the largest agricultural area of any province, amounting to some 128,591 square miles. It has more agricultural land than either Ontario or Quebec, which have 100,514 and 64,662 square miles respectively. Of course, these two provinces have other land which is very valuable. We are just beginning to reach down through the rocks for oil and minerals, but as I mentioned a moment ago a great deal of the land is used for growing trees.

Having said that, honourable senators, I now come to the real purpose which brings me into this debate, namely, one grievance we have in the province of British Columbia. Someone might ask me why I did not take this grievance to the Government. As everyone knows, an appeal often goes through either a senator or a member of the House of Commons to the minister concerned, and in that way the average citizen may obtain redress of his grievance. I believe if a senator or member of the House of Commons does not listen to the appeal of the ordinary citizen, democracy to that extent may be weakened. So I took this grievance—I was almost going to say to the foot of the Throne—to the minister in charge. I am not going to read the correspondence or say anything about it other than that I got nowhere and I do not believe that the matter was ever thoroughly investigated.

Hon. Mr. Aseltine: Was your grievance against the Wheat Board?

Hon. Mr. Reid: Yes, the grievance is against the Wheat Board. I came to the conclusion that the Wheat Board is really a monopoly by itself and evidently cannot be touched by the Government. That is my belief. At least, you will hear what the trouble is in just a minute.

We have a co-operative organization about four miles from where I live, one of the most successful co-operative associations in the whole of Canada. It has some 5,000 members and it does a business of between \$4 million and \$5 million a year. The profits are spread among the members. Most of the business done is the buying of grain from the Prairies.

Now it was found that grain could be bought at a place called Creston, which is located in the eastern part of the province, away up by itself. Creston district grows wonderful wheat. The farmers there are under the Canadian Wheat Board and no one is complaining. They want that. Nor is our association, the Surrey Co-operative Association, complaining. The buyers went up there and bought 2,000 tons of wheat. Now, practically the only way to get the wheat out from that part of British Columbia to where it is needed and used is through the United States. And this is where the Wheat Board stepped in.

Under the Wheat Board Act, as I feel sure every honourable member knows, wheat cannot be moved from one province to another without an order from the board. I may be wrong, but my information is that the three Prairie provinces have provincial legislation to control, if they wish to do so, the movement of wheat within their own provinces, but they are rather winking at the enforcement of these laws. We in British Columbia have no such legislation. The wheat grown in Creston, British Columbia, comes under the jurisdiction of the Canadian Wheat Board. To move the wheat from Creston to the coast it is necessary to use truck transport, there being no railways serving that area, and the trucks have to enter the United States and follow along U.S. highways for a certain distance before re-entering British Columbia.

Hon. Mr. Horner: The wheat is transported by trucks, you say?

Hon. Mr. Reid: By trucks. There is no railway there to take it out.

After a certain quantity of wheat was taken that way through the United States an order came from the Canadian Wheat Board to the Customs to the effect that it was not allowed and must be stopped. The trucking concern tried to bring one truckload over the mountains, but the truck was nearly wrecked on a rough road, and I understand the truck owner refused to make another try over that route.

Hon. Mr. Crerar: May I ask the honourable gentleman if the prohibition was due to the wheat being transported across an inter-provincial boundary?

Hon. Mr. Reid: No, it was not that. The reason is to be found in the provisions of section 32 of the act and the interpretation of the wording thereof. The section reads:

Except as permitted under the regulations, no person other than the board shall

(a) Export from or import into Canada wheat or wheat products owned by a person other than the board; . . .

The shipments were stopped in virtue of that section. The ordinary meaning of the word "export" as contained in the dictionary is the sending of goods or merchandise from one country to another, and "import" means the bringing of goods into one country from another. Remember, the wheat in question was being moved from one part of British Columbia to another part of British Columbia, all within the provisions of the Act, yet the Canadian Wheat Board said "You cannot do it."

Can you understand the feelings of our 5,000 members when they were told that they were violating the act? There is nothing in the regulations as to this; what governs is only the Wheat Board's interpretation of the provision.

Hon. Mr. Horner: Did you try taking the matter to court?

Hon. Mr. Reid: No. There are certain judges before whom I would not like to take anything of this nature—and that is not to give you a smart answer.

Hon. Mr. Aseltine: You were not exporting grain by taking it around that way.

Hon. Mr. Reid: We were not exporting grain and we were not importing it; we were hauling it for consumption in British Columbia, and using a short stretch of highway in the United States. But the board said we could not do that.

Hon. Mr. Aseltine: You were within the law in doing that.

Hon. Mr. Reid: We feel we were well within the law, but we see so many decisions given against those who tried to go against the Wheat Board that it makes us hesitate before taking the matter before a judge. I do not know what more I can do for our people than air it here. I placed it before the minister and nothing was done. I take the stand that something should be done, but I do not know how one can make the board see that export really means export. Their interpretation of the meaning of the word is not that found in a dictionary.

We feel we are within our rights. We think we should have the right to take that wheat from one part of British Columbia to another, but we are denied it, and I am rising in my place today to protest against the denial as strongly as I can.

Hon. J. Wesley Stambaugh: Honourable senators, with regard to what the honourable senator from New Westminster (Hon. Mr. Reid) has said about this co-operative association not being able to buy wheat in one part of the province for delivery in another, I am inclined to think that if this is so there must

be a provincial law involved. In Alberta one farmer can sell to another, or a farmer can sell to a feeder, as long as the transaction is within the province, and I will be surprised if it is not that way in British Columbia. I do not know why wheat cannot be transported through the United States. Manufactured articles can be transported from one part of Canada to another through the United States, in bond, and I do not know why wheat cannot be transported in this way.

Hon. Mr. Reid: We were stopped this week.

Hon. Mr. Stambaugh: Probably you did not put the wheat in bond. It would be necessary to do that.

The honourable senator from New Westminster also said the building of the railway to Churchill was done for the benefit of the western farmers. I think his stand is rather poorly taken. What he says may be true, but the Canadian Pacific Railway was built to British Columbia for the benefit of that province, and it probably cost ten times as much as the Hudson Bay Railway.

Hon. Mr. Reid: It was not built for our benefit.

Hon. Mr. Stambaugh: It surely was, just for British Columbia.

Hon. Mr. Reid: That is nonsense.

Hon. Mr. Stambaugh: It is no more nonsensical than your statement about building the railway to Churchill. Also, the bonds of the Canadian National and the Grand Trunk Pacific were guaranteed for the same reason, to help the people of British Columbia.

Hon. Mr. Reid: I would like to hire a hall and debate the matter with you.

Hon. Mr. Stambaugh: All right, so long as you don't play the bagpipes.

Hon. Mr. Reid: Never mind that. There would be more sense and harmony in them than in your speech. Don't be personal.

Hon. Mr. Stambaugh: The honourable senator said something to the effect that there is not much more land in Canada available for agricultural purposes. Only this morning we received some figures from an expert in the Department of Agriculture who has made a study and survey across the country. He told us that there are now under cultivation around 90 million acres—it is easier to think of these things in acres rather than square miles; and about 45 million acres more,—that is, nearly half as much as the cultivated area—are suitable for agriculture and still uncultivated. So there remains quite a large area of agricultural land in Canada available for settlement.

Hon. R. B. Horner: I believe the honourable senator from New Westminster (Hon. Mr. Reid) could make out a good case before any judge in British Columbia. All he needs is a good lawyer.

The honourable senator from Ottawa (Hon. Mr. Lambert) who introduced the amendment stated that in the past several months, or at least until a month or two ago, considerable sales of wheat have been made abroad. The explanation of the apparent increase in sales which was given by Mr. John West, head of the Saskatchewan Wheat Pool, is that when Great Britain withdrew from participation in the International Wheat Agreement it was believed in several European countries which purchased wheat that the price would fall, so they ceased or limited their purchases; but following damage by frost in France, and rather poor crops generally in continental countries, there were fairly good sales to Europe during the past summer.

The speech of the honourable senator from Ottawa has not given us much encouragement for the future, which is a matter I personally am very much concerned about in view of the union of European states which is now under way, and which no doubt will be joined by Great Britain. The subject was referred to by the honourable senator from New Westminster, but he did not develop his views as to its special significance to Canada. Since these European countries have replenished their stocks there has been, in the last month or two, a great falling off in our export sales of grain. Altogether the picture is not very bright. I would like to see some solid grounds for optimism in the coming year.

Hon. Mr. Euler: May I ask a question of the senator from New Westminster? He complains that the Wheat Board prevented buyers of grain from carrying wheat from one part of British Columbia to another because it had to be moved some distance through the United States. Did those who were shipping wheat in that way by truck attempt to bond the grain before they moved it; and would it not have been possible for them to do so? In short, was the wheat bonded?

Hon. Mr. Reid: I am not sure. I do know that these people carried about 1,500 tons of grain without any attempt being made to prevent them. Then, by order of the Wheat Board, transport was stopped.

Hon. Mr. Euler: You do not know whether the wheat was bonded?

Hon. Mr. Reid: The board simply stepped in and said, "You can't do it."

Hon. Mr. Stambaugh: If honourable senators will allow me to add a few words to my remarks, I should like to point out to the honourable senator from New Westminster that a few years ago, to help the people of British Columbia, we voted millions of dollars for the Pacific and Great Eastern Railroad.

Hon. Mr. Reid: I was never in favour of that project. It was just throwing good money after bad.

Hon. Mr. Stambaugh: No matter whether the honourable senator favoured it or not, the money was voted.

On motion of Hon. Mr. Crerar, the debate was adjourned.

PRIVATE BILL

CANADIAN CO-OPERATIVE CREDIT SOCIETY LIMITED—FIRST READING

Hon. John J. Connolly (for Hon. William M. Wall) presented Bill V-5, an Act respecting Canadian Co-operative Credit Society Limited.

The bill was read the first time.

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

Hon. Mr. Connolly (Ottawa West): Wednesday next.

DIVORCE BILLS

THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill B-5, an Act for the relief of Pauline Jean Stoakley Ramsay Porter.

Bill C-5, an Act for the relief of Allan Graham Bennett.

Bill D-5, an Act for the relief of Chana Pava Trifskin Cupchik.

Bill E-5, an Act for the relief of Victor Edward Drembo.

Bill F-5, an Act for the relief of Doris Silversides Harper.

Bill G-5, an Act for the relief of Lily Claiman Neiss.

Bill H-5, an Act for the relief of Abraham Sztajnhart, otherwise known as Abraham Steinhart.

Bill I-5, an Act for the relief of Elizabeth Hill Silver.

Bill J-5, an Act for the relief of Gaston Bedard.

Bill K-5, an Act for the relief of Mary Tuskewich Gashler.

Bill L-5, an Act for the relief of Muriel Gamache McCrea.

Bill M-5, an Act for the relief of Maitabel Horwitz Johnson.

Bill N-5, an Act for the relief of Laurette Lacombe Paradis.

Bill O-5, an Act for the relief of Claude Christopher Richard Luard.

Bill P-5, an Act for the relief of Joseph Elie Claude Lacelle.

Bill Q-5, an Act for the relief of Muriel Audrey Connor McLeod.

Bill R-5, an Act for the relief of Margaret Ragna Erickson Hunt.

Bill S-5, an Act for the relief of Francois Richer LaFleche, otherwise known as Francois Pierre Patrice Joseph Richer LaFleche.

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

DIVORCE RULES

AMENDMENTS RECOMMENDED BY COMMITTEE CONCURRED IN

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Roebuck for adoption of the thirteenth report of the Standing Committee on Divorce.

Hon. John J. Kinley: Honourable senators, the resolution before the Senate which I am about to discuss is one recommending amendments to the Standing Rules and Orders of the Senate relating to divorce. Last year when the Divorce Committee decided to inquire into the rules with the idea of improving them, it started out in the right direction by proposing that three good officers of the Senate—Mr. MacNeill, Clerk of the Senate, Mr. Hopkins, Parliamentary Counsel, and Mr. Armstrong, Chief Clerk of Committees—be directed by this house to prepare a report on the divorce rules and to recommend such amendments as they saw fit. At the main session last year the Senate passed a resolution directing these officials to do this and present their report at this session. They are specialists in this field, having had special training and experience in it.

At the commencement of this session the officials presented their recommendations and discussed them with the committee, and we who are members of the committee were given copies for study. When we next assembled in committee, the recommendations were adopted and it was unanimously agreed to present them to the Senate for approval.

On January 17 the Chairman of the Committee (Hon. Mr. Roebuck), presented the committee's thirteenth report, embodying the amendments, and on January 24 he explained the amendments to honourable senators in a most lucid and thorough manner. The

amendments have now been before the house for some time, and only one member has criticized them or claimed that they are not in the interests of the committee or its work.

May I say to honourable senators that the work of the Divorce Committee is exacting, demanding and almost continuous during sessions of Parliament. Naturally some of us, at least those of us who have served some eleven years as active members of the committee, have formed certain opinions about the procedure we think should be followed. We feel that the work and achievements of the committee would be enhanced by adopting this series of amendments. We feel that the rules should be streamlined to be in keeping with present-day demand and to coincide as closely as possible with rules of procedure followed in provincial courts, especially in Ontario. We believe that if we adopt these amendments they will result in greater uniformity in procedure and the better operation of the committee.

The Divorce Committee as at present constituted is a most efficient branch of the Senate. The work is well organized; and the members, who have been very faithful in their attendance, are able to cope with the volume of work placed before them. The chairman has shown special organizational ability in addition to his energetic approach to the work and his special legal talents.

In its peak year the Divorce Committee inquired into 402 petitions. If the committee were divided into four subcommittees, each subcommittee without undue pressure could handle five undefended cases a day. Under those circumstances the committee could easily accomplish its work during a session of Parliament. Defended cases are more tedious, of course, but there are not so many of them and usually they are heard by a committee presided over by the chairman (Hon. Mr. Roebuck). I mention this because the honourable senator from Rosetown (Hon. Mr. Aseltine) expressed fear that the committee would become bogged down in its work if these recommendations were adopted, and that if we lost the present chairman nobody else could or would take his place on the committee. I do not think this is so. I think the Senate is a big enough institution to have the work of this committee carried out regardless of changes in membership from time to time.

The honourable senator from Rosetown made a very interesting speech. He wanted it to be helpful and I feel it was. In my opinion his mild criticism of the amendments was helpful, by way of confirming our belief that they would be beneficial.

He took a lot of time to explain why during his régime as chairman of the committee no

amendments were made to the Senate rules on divorce. I served with him on the committee for some years and I know he was most industrious and did his work well, as did the honourable Leader of the Opposition (Hon. Mr. Haig), who acted as subchairman. They did an enormous amount of work, but they did not quite organize it as well as it is organized now, and I do not think they had the capacity for work that the present committee has.

Hon. Mr. Aseltine: We had no trouble. We each took seven or eight cases a day and we had no trouble at all in handling them.

Hon. Mr. Kinley: My honourable friend is absolutely right.

However, he said the rules on Senate divorce were drafted when divorce matters in Canada were in their infancy. That being a long time ago, would it not be natural to assume that some changes should be made in them now?

The honourable gentleman said that when he came here first he was disturbed by the rules. I will quote his words from *Hansard* of February 6, at page 141:

When I found out that the Senate rules did not require the co-respondent to be named or served, it bothered me quite a bit. I was of the opinion that in Parliamentary divorce petitions, as in court cases, the co-respondent should be named and that he or she should be served with the papers.

Then my friend went on to tell us why he had changed his mind; he said that he had talked to some older members of the Senate who had served as chairmen of the committee and they had stated their reasons for not advocating changes in the rules. In reading their names, and knowing something of the history of the Senate, I will admit they were distinguished men. My honourable friend cited three of the reasons, which seemed to please him. First, the independence of the Senate committee. Members of the committee, it was said, did not want to be circumscribed by too many rules, but preferred to deal with each case on its merits. Also it was pointed out that the committee has power to recommend a divorce for any reason agreed upon by the members.

Honourable senators, it seems to me that rules are necessary, especially on the fundamental matters. If there were no rules to guide the Divorce Committee there would be confusion. For one thing, the committee could not carry on without rules to govern its internal operation. Then again, solicitors coming before the committee should know what they have to face. Without rules to guide or direct them, they could not be in a position to bring their cases intelligently before the committee or to serve their clients properly.

My honourable friend cited another reason. His point was that the naming of co-respondents would lead to more divorces. He said that if, for instance, a woman learned that her husband was a co-respondent in a case, she would probably seek a divorce from him. I do not think that argument has much weight. When a man files a divorce petition against his wife it is very seldom that the co-respondent is not known; in fact, the co-respondent is usually named in the petition. If any honourable senator will look through the files, as I have done, he will find that in almost every case where a husband brings a petition against his wife he names the co-respondent.

Hon. Mr. Aseltine: Lots of petitions are by the wife against her husband.

Hon. Mr. Kinley: Oh, I agree. The last reason given by former chairmen to my honourable friend for not making any change in the rules was that parliamentary divorce would soon be done away with. In this, of course, they were wrong.

I do not think it is the function of the Senate Committee on Divorce to protect iniquity or social errors. The duty of the committee is to find out the truth and to deal justly. I think that to plead that adultery has been committed with an unknown person leads to connivance and collusion, and almost allows perjury to be committed with impunity. I feel it is safer to name the co-respondent and that this should be done wherever possible, just as it is in the courts. The court rules require it, and I think our committee's rules also should require it. If we adopt such a rule there is an escape clause, so to speak, because section 4 of rule 135 says that the committee may use its discretion, so if under certain conditions it considers that in the interest of all concerned the name should not be given it can act accordingly and no injustice will be done.

The honourable senator from Vancouver South (Hon. Mr. Farris), in his splendid speech of yesterday, said there might be less "monkey business" if the name and the address of the co-respondent were known, or, otherwise, if a diligent search were made to the satisfaction of the Divorce Committee. Well, often it is in cases in which the co-respondent is a "person unknown" that the "monkey business" comes in. A senator does not need to be a member of the Divorce Committee very long to know the kind of set-up where the evidence is supplied, and to realize that many of these cases are not genuine cases at all.

My honourable friend from Rosetown said that the Divorce Committee sits *in camera*.

But, after all, any solicitor is allowed to be present, as is any senator or member of the House of Commons. And some 300 or more copies of the printed evidence are distributed among senators, members of the House of Commons, officials and so on. It seems to me that distribution provides lots of opportunity for advertising, so there is no point in saying that the committee sits *in camera*, or that these cases are not for the public to see.

Hon. Mr. Aseltine: I did not give that as a reason at all. What are you talking about?

Hon. Mr. Kinley: It is right here in *Hansard*—

Hon. Mr. Aseltine: I was merely comparing our procedure with that of the courts.

Hon. Mr. Kinley: I will take my honourable friend's word for that.

My honourable friend suggested there would be a bogging down of the committee because of applications to proceed without naming the co-respondent. I think the honourable senator from Vancouver South (Hon. Mr. Farris) answered that point completely. My honourable friend from Rosetown said that out of 356 cases he had looked into, only 85 co-respondents were known, and that it would be a tremendous task to examine every petitioner who had not named a co-respondent, in an effort to ascertain who the co-respondent really was.

Hon. Mr. Aseltine: That was not the argument at all.

Hon. Mr. Kinley: In the first place, his arithmetic was a little out. He figured that the co-respondent would not be named in about 300 cases, but the number would be considerably less than that.

Hon. Mr. Aseltine: For many years during the time I was chairman of the committee there were more than 300 cases in which the co-respondent was not known.

Hon. Mr. Kinley: Yes, that is true.

Hon. Mr. Aseltine: You know that is correct.

Hon. Mr. Kinley: That may be true, and I know you were quoting from records. I am simply repeating what you said, that in only 85 cases the co-respondent was known. I think that if the rules required the naming of the co-respondent they would be complied with. The Divorce Committee deals with only about 400 cases a year, whereas the courts in Ontario deal with thousands. From what I have heard, the Ontario courts are not bogged down by reason of the fact that they require the co-respondent to be named.

Reference has been made to Newfoundland. Well, Newfoundland has not yet been

badly struck by this disease. In 1955 only one case came out of that province. I think that section 2 of the proposed new Rule 147, which allows the use of affidavits to prove certain facts, would help reduce the cost of obtaining a parliamentary divorce in that province.

Honourable senators, I should like to deal for a few moments with the report prepared by Mr. Gilman, the Chief Treasury Officer of the Senate. Now, he is a competent accountant, and I know it is dangerous to dispute the figures of a good accountant. However, I should like to make one or two comparisons.

Mr. Gilman estimates the cost of processing a divorce through the Senate to be \$235. Under our Rule 40 we require the petitioner to pay \$210 for a divorce case. On this computation the Senate loses money on each case it hears. But let me point out that the fees paid to Parliament for bills of divorce heard and recommended during 1956 amounted to \$73,595, which amount was paid into the general fund. Now if a divorce court had to be set up in Quebec or some other part of Canada, I do not think \$75,000 would cover the cost.

It is a sound business principle that if you can do more business with the same overhead you will likely make a profit. The staff of the Senate which serve the divorce committee on certain days of the week are regular employees of the Senate. Sometimes they are busy and sometimes they are not. But in order to keep competent help the Senate has to pay them, whether there is work to be done or not. The Divorce Committee gives full employment to certain members of the staff who might not be kept busy at other duties. For instance, the Senate will adjourn this afternoon until Tuesday night, but the Divorce Committee will be sitting tomorrow morning and certain members of the staff will be working there.

So, honourable senators, I do not think we can say that this committee costs the country any fixed amount of money. Certainly, all other committees of Parliament are run at the expense of the country, and are not expected to make a profit. Why should we say that the Divorce Committee, which is fulfilling a duty placed upon it by the British North America Act, should make a profit? Do the provincial courts of the land which hear divorce cases make a profit? I do not think so. It does not cost very much to apply for a divorce in a provincial court. Perhaps our fees here are too high. Much has been said about the hardship on poor people who apply to Parliament for a divorce. Well, may I say that poor people usually have a genuine

case. Frequently they do not hire professional witnesses, because they know from their friends and relations what is going on, and they know who the co-respondent is. Furthermore, in many cases we remit a part of the fees paid by people in unfortunate financial circumstances. In that way the cost of a parliamentary divorce is not a great burden to those who can least afford it.

I believe the Divorce Committee has a good record. As I have said, it showed an income last year of \$73,595, which goes into the general fund; and it uses the services of the regular staff of the Senate. In my opinion, it is one of the most efficient branches of the Government service.

In conclusion, let me say that the Divorce Committee deals very closely with human nature, and therefore has a most important work. It considers the problems of human relations which have gone stale and turned sour. That being so, its work is worthy of the attention of the most capable members of the Senate. While some persons say the work of the committee is sordid and not very elevating, it is rendering a valuable service to our citizens and is maintaining harmony in a province which does not want a divorce court. So, the set-up would seem to be generally satisfactory.

With respect to the naming of the co-respondent, I think we should demand that he or she be named, except in extraordinary circumstances. Above all, we should keep our standards high, and by our attention to the work of the committee impress upon all who appear before us that they should not treat lightly the marriage vows which they have solemnly taken. The new rules will, I think, make divorce cases more genuine and dissolution of marriage more difficult to procure.

Hon. F. W. Gershaw: Honourable senators, I rise to say a few words in this debate with a good deal of hesitation and misgiving, because it is largely a problem for those learned in the law. Some very fine contributions to the debate have been made by the honourable senator from Rosetown (Hon. Mr. Aseltine) who has a wealth of experience in this field, the honourable senator from Vancouver South (Hon. Mr. Farris), and the honourable gentleman who has just taken his seat (Hon. Mr. Kinley).

I favour the amendments to the divorce rules because I believe they will result in fewer divorces in Canada. If co-respondents are to be named in petitions, I think people will hesitate before they become co-respondents and project themselves between husband and wife.

I realize that in Canada divorce cannot be obtained for extreme cruelty, complete and hopeless insanity, or for a long period of desertion. But I do believe we have gone off on a tangent in the granting of divorces on the ground of adultery, either committed or pretended to have been committed. Each case which comes before the committee is of course a domestic tragedy, and we fully appreciate that some are not as genuine as they may seem to be. I believe the co-respondent should be named, and, if named, notified of the hearing and allowed to put in a defence. I would go further and say that a co-respondent should be punished. Adultery, which is a moral crime, should be a crime against the laws of the land. If punishment were provided, I believe there would be fewer divorces.

It has been said in a news item that the Divorce Committee recommends a bill if adultery has been committed at divers times and places. That is not the fact. The committee demands that a specific time and place be alleged and proven by the petitioner.

It has been said that the Senate is a divorce mill. Let me say this: we do not break up homes; they are hopelessly broken up before the parties come to us. It has also been said that the children involved suffer most. In many cases that may be so. But the children brought up in a home where there is hatred, constant quarrelling and infidelity, are reared in a bad atmosphere. We admire the woman who will stand up and say that despite the fact that she knows her husband is liable for the maintenance of the children if a divorce is granted, she is prepared to take care of them herself. That is a spirit which we often meet.

In closing, I would suggest that further amendments should at some time be submitted. In the darkest part of East Africa, which I had the privilege of visiting recently, the inhabitants practise plural marriages. In that country when a young man becomes of age his parents pick out a wife for him. When they have lived together for a period of time and reared a number of children, the wife helps the husband choose a second wife, and perhaps a third and even a fourth one. But the first wife is always the queen bee, so to speak, and the others are more or less slaves to her. However, today those plural marriages are being discouraged even in that dark country.

At one time the North American Indian had more than one wife, but that practice has now been given up. For many years there was a great struggle in one of the western states against polygamy. The practice had the sanction of and was urged by the church, but it was against the laws

of the land. Several laws were passed before an effective one was found. During those years the Government sent out marshals to track down cases of multiple marriages and obtain proof of cohabitation. This proved difficult, because when the news came that a marshal was approaching a town or village the people would ring a bell and the extra wives would run and hide. However, in cases in which satisfactory evidence was found the parties were punished by imprisonment for as long as five years.

But here in Canada a man can go to his wife and say, "I am done with you; I have transferred my affections to someone else," and he can openly and boldly go and live with another woman. This is a very unfortunate state of affairs, and indicates that we are not as far advanced as are the people in some other parts of the world.

When I am not in Ottawa, I work for a railway company. If there is some discord in the homes of employees, the head of the brotherhood or the head of the women's organization or the assistant superintendent of the railway, as the case may be, will go and talk to those people in language that they can understand. Very often conditions are improved in this way. These officials have a good deal of influence, because they can tell a person that if a certain thing is not stopped he will be put out of the brotherhood, or lose his job or something like that.

I believe that if a marriage consultant or a marriage adviser contacted unhappily married couples in the early stages of their discord a good deal could be done to lower the number of divorces. I do say that our rules should be continuously and diligently reviewed in the hope of improving conditions in the homes of such people. If we can be the means of a little more contentment and happiness coming into some of these homes we shall be doing something really worth while.

Hon. Arthur W. Roebuck: Honourable senators, if I speak now I will close the debate.

The Hon. the Acting Speaker: Yes.

Hon. Mr. Roebuck: I can assure the house that at five o'clock in the afternoon, and with a very thin house, I will speak very shortly. To begin with, I have already addressed the house on this question fairly fully and in detail. As a matter of fact I have spoken three times. This will be the fourth address in connection with these rules. So it is not necessary for me to say a great deal, and in fact the case has been very thoroughly covered by the honourable senators who have spoken.

The senator from Queens-Lunenburg (Hon. Mr. Kinley) dropped the remark that the

work of the Senate Committee is exacting, and it is. I think the members of the committee are entitled to expect a sympathetic consideration of their problems when they come before this house, and I am grateful and glad to say that that sympathetic consideration has been extended to us in ample measure. I am very pleased indeed by the reception which the committee at all times receives.

I have expressed my gratitude on previous occasions, and there is no reason why I should not express it again, for the loyal and intelligent support which I receive as chairman of this committee.

Now, I suppose I should not single out any one. I said I was going to make a short speech and I am. I feel that after the address made yesterday by the honourable senator from Vancouver-South (Hon. Mr. Farris) I could well rest my case, and I want to thank him for that address. My honourable friend has had a long experience of distinguished service at the bar of British Columbia, of which he was at one time Attorney General, and many years of practice before the highest court of the dominion.

Hon. Mr. Farris: I would like to say that I came from New Brunswick.

Hon. Mr. Roebuck: That is indeed a compliment to New Brunswick, although the honourable senator did not mean it in that way.

Well, I thank him for the skill with which he presented the case and the knowledge and experience which he brought to his decision.

I thank the member for Queens-Lunenburg for the effort that he has just put forth, and I also thank the honourable senator from Medicine Hat (Hon. Mr. Gershaw).

Now may I say something about the address of the honourable senator from Rosetown (Hon. Mr. Aseltine). It would be a mistake, I think, to picture the honourable gentleman, a former chairman of this committee, as in any way opposed to the committee's recommendations for amendments of the rules. As a matter of fact, in his opening statement he said that he wished to be helpful, and I think he was helpful in the address which he delivered. He has brought up more new material than anybody else, including the present speaker, and has furnished reasons for thought in connection with the whole matter, and so I thank him. I would be sorry indeed if anybody pictured the former chairman of the Divorce Committee as opposed in any way to the present chairman in the endeavour we are putting forth.

Hon. Mr. Aseltine: There is no opposition whatever.

Hon. Mr. Roebuck: Not a bit. The honourable senator's speech was friendly, and it was thoughtful. This is not an argument we are conducting, and certainly I am engaging in no contest with him, although I join with him in discussion of the problems involved.

Some of the things the honourable senator has said stimulate thought. For instance, he pointed out that there are some differences between our committee and the courts of the provinces. We do not take evidence on commission. When I took over the chairmanship that struck me very forcibly and on many occasions I discussed the question of bringing in new rules giving us power to send commissions abroad and into our provinces.

To those who are not members of the committee may I say that to send a commission abroad means that in the course of a case the committee, or a court, directs authority to some person resident in another province or abroad to take evidence. That person notifies the parties, and they appear with their witnesses. Statements are taken down, cross-examination takes place, and the transcript of evidence comes back to the court of origin. That makes it unnecessary to bring witnesses across the sea or, for instance, from Newfoundland to Ottawa to give their evidence. I think that we ought to have that same power which the courts of the provinces have. I am indebted to the honourable senator from Rosetown for bringing up the subject because I think we had better consider it next session.

The honourable senator also mentioned that there is no provision in the Senate procedure for examination for discovery. I am not so concerned about that, because it is the rule in most of the provinces and in England that admissions made in an examination for discovery shall not be acted upon by a court of trial. Admissions of this kind are serious matters, and the courts have held that such admissions must be made in the court itself, where the parties can be observed by the judge. Further, it is not possible in examining a witness for discovery to put questions to him that may show him to be guilty of adultery. So in these matters the examination for discovery is not as useful as it is in other types of cases.

The honourable senator also said, in differentiating our court from other courts, that a trial elsewhere is in open court. I do not know that that is so great a difference as it may appear at first glance to be. The Divorce Committee meets *in camera*, but not behind sealed doors. Any person with reasonable grounds for being present is welcome to come in and sit down and examine what we are doing. Members of Parliament attend, and

so may anybody else who has a legitimate interest. But the big consideration is that the evidence is printed and a fairly large number of copies is distributed. The honourable senator from Queens-Lunenburg estimated the number at 300 or more. We send copies to members of Parliament, though not to all of them, because if a member signifies that he does not require a copy we strike him off the list. But 260 or more members of the House of Commons are entitled to the record: when all the chairs are filled, 102 members of this house are also entitled to it; 10 copies are sent to or reserved for the use of the parties; and at the present time 25 copies are kept in reserve. We have been told that some of these copies are thrown into waste paper baskets and distributed among janitors and others; some have actually turned up and have been read in the schools. So the proceedings are far from secret; and anyway, I do not like secrecy. Really, the trial before the committee is as much in an open court as if it were in one of the courts of the provinces. Perhaps it attracts more attention here than it would there.

The honourable senator said that the Divorce Committee is not a court. I think some elucidation is required. I suggest that by any dictionary definition it is a court. I looked up the dictionary definition of "court" and find that it is "the session of a judicial assembly". That makes it, in ordinary parlance, a court. It is not, if you please, according to judicial decision, a court for the purposes of the Criminal Code, or rather, of one section of the code which makes criminal the fabrication of evidence for use before a court. Under that section someone was convicted of fabricating evidence for use before our committee, and it was held that for the purposes of that section we were not a court, so the conviction was quashed. But although in respect of that section the Divorce Committee is not a court, it is so for all other purposes. It sits as a judicial committee and gives judgment.

It may be said that it does not give judgment, that it simply recommends its decisions to Parliament. Well, so does the Judicial Committee of the Privy Council, which is the highest court of Great Britain and until recently was the highest court for this country. Its judgments are in the form of advice to the sovereign as to how the case before it should be decided. Our committee operates in exactly the same way. We send our recommendation to the Senate; from the Senate it goes to the Commons; and it is finally passed into law. In my judgment, therefore, it is a court. Furthermore, in the conduct of its proceedings it is required to apply the rules

of evidence; that is, the rules of the Canada Evidence Act, which are those contained in the Evidence Act of the province in which the proceedings take place. So we conduct our proceedings according to law and according to the Evidence Acts of Canada and of Ontario, and we do so as strictly as it is done in any court.

My honourable friend said that he did not like too many rules. I agree with him that rules should be as short as is compatible with clearness and that unnecessary rules should not be passed. But the rules we are considering are not restrictive so far as our tribunal is concerned; they are to apply to those who practise before the tribunal, and if anybody is bound by them, it is the litigant rather than ourselves.

There are only two matters of any importance before the house in respect of this change in the rules. The first is that both the petitioner and, if the case is contested, his opponent shall supply each other and ourselves with a concise statement of the facts upon which they rely. We need that provision; its importance was strongly impressed on me in a case which was before us recently. The respondent, a woman, contested the petition, went into the box and pleaded not guilty, whereupon the solicitor for the petitioner launched a cross-examination about almost everything in her life. What could the chairman say? As there was no statement available of the facts on which the petitioner's counsel relied, the committee could not rule that his cross-examination was not pertinent. The best I could do was to intimate that the committee relied on the good judgment of counsel not to waste our time. Had we had before us a statement of the grounds on which the respondent relied I could have very quickly ruled that what counsel was asking was not pertinent to the proceedings. But under the circumstances the hearing dragged along and along: I suppose an hour was wasted in that cross-examination. The committee was greatly handicapped by the absence of a concise statement of facts, and both parties were handicapped as well, because neither had given the other in the pleadings a statement of the facts on which he or she relied. However, we are unanimous as far as this point is concerned. But let us not forget that we are asking for a very much needed revision of the rules in that particular.

The other important amendment has to do with naming the co-respondent. The argument against adopting this amendment is twofold. First of all, it is said that the innocent party may learn of the facts and, as I have heard it put on several occasions, this may result in another divorce case. There

is something to be said for secrecy in the carrying out of proceedings of this kind, but over the years and down through the centuries we of the Anglo-Saxon race, at least those of us who have had some knowledge of Star Chamber proceedings, have come to the conclusion that secrecy is a bad thing in the administration of justice and that, speaking generally, it is advantageous to let in the light of day. It is usually a matter of suspicion when anybody covers anything up, and in the long run it does not work out.

But this is not a case of secrecy. As I have already said, we publish the evidence, which is given by the parties who go in the box and swear to tell the truth and the whole truth. Well, telling the whole truth involves giving the name of the co-respondent, if it is known, and of course the name goes into the record and is spread all over the place. I am sure it usually goes back to everyone interested in the particular case.

So it is not a question of covering up or of giving publicity. It is a question of timing as to when you disclose the name of the co-respondent—whether you disclose it before the trial or during the trial and publish it afterwards. My submission to the house is that it is better to disclose the name of the co-respondent before the trial, so that he may have an opportunity to appear and defend himself against any charge of adultery, and in this way assist the committee in coming to a righteous decision with respect to the charge.

It seems to be almost indecent to have a proceeding where a man accuses his wife of committing adultery and not have the third party informed that divorce proceedings are going to take place in which he is involved; and then publish his name afterwards, as we do in the printed report of our divorce proceedings. I think that is deplorable. It is certainly in bad form and it does not work out well at all.

Another point made in this connection is that if we require the naming of the co-respondent it will throw a greater burden upon the members of the committee. Well, it is the members themselves who are asking for the adoption of these amendments and I can assure the house that these members are prepared to accept this burden if it will make their work more effective and just.

But will it? To begin with, let me explain that it is not intended, as has been suggested, that in some 300 cases where the name of the co-respondent is said to be unknown, the committee will call before it all the petitioners, their solicitors, witnesses and so on, in order to determine whether the name must be given. That would indeed be a cumbersome procedure, but if the committee is empowered to

do so it will require the solicitors in these cases to prepare an affidavit setting out the facts with regard to the unsuccessful efforts that have been made to ascertain the name of the co-respondent.

I picture that each year when Parliament assembles a subcommittee of one or two members of the Divorce Committee, with the assistance of the officers of the committee, will go over these affidavits and in *bona fide* cases give the petitioners permission to proceed without naming the co-respondent. Where there is any ground for suspicion or where in our judgment an affidavit is insufficient in respect to the naming of the third party, we will demand an explanation from the solicitors. Perhaps their eloquence may carry the day, or we may not give them the permission they seek. It will all depend upon the good judgment of the committee, something upon which you have always relied in the past and upon which I think you can rely today.

Just think of 85 cases in which the co-respondent was admitted to be known as compared with approximately 300 cases in which the petitioner swore that he did not know the name of the person with whom he accused his spouse of committing adultery. The thing is ridiculous! Of course, in most cases he knew. In the very last case that I read—I did not hear the evidence, but I reviewed the record and consulted with the subcommittee on it—the petitioner pleaded in her petition that her husband had committed adultery with “a female person whose name is unknown to your petitioner”. Then she got in the witness box and swore that her husband had told her he was leaving her to go and live with a person she then named. It was a flagrant piece of perjury, if you like, and it was fraud as against the committee. I can assure you that this particular divorce will not be granted unless at least counsel for the petitioner explains this apparent perjury in the petition taken by him and sworn to by his client.

Now, what would the case be if these recommendations are adopted? Counsel would have to have the petitioner swear an affidavit stating she did not know the name, why she did not know it and the facts upon which she relied. Then we would look at that affidavit when Parliament assembled, and if it seemed *bona fide* and satisfactory we would give permission to proceed without naming the co-respondent.

It was suggested that we ask the Law Clerk of the Senate to hear these applications, but after my explanation of the way we intend to handle this by affidavit, nobody would suggest that the Law Clerk be burdened with work of this kind. I do not think it is his duty, and I would hesitate very much

indeed to ask him to perform it. The honourable senator from Rosetown (Hon. Mr. Aseltine) suggested that it would fall upon the shoulders of the chairman to perform this work, and I suppose in a large measure it would. But in these circumstances and in my desire to improve the proceedings of the Divorce Committee, I am prepared to take on a full share of the work. It would probably fall to a committee of two members to look over the affidavits and decide which petitions should be allowed to proceed without naming the co-respondent, what parties should be called before the committee, and so on.

There was one other matter which the honourable senator from Rosetown brought up and which I should like to discuss. I refer to the cost of advertising. I cannot discuss this subject now, for I have not all the facts and figures before me, but I can say that we are now calling upon these people, many of them who are very poor, to spend much too much money on useless advertising in connection with these cases. But that matter is not before us today. Perhaps next session, or at some other session, the questions of commission evidence, examination for discovery, and waste of money on advertising, will all be considered. What we have before us now is, first the requirement that the litigants come to each other

and to us with a concise statement of the facts upon which they rely, which they do not do now; secondly, that when one spouse accuses the other of adultery he or she shall name the other person accused of the matrimonial offence, and that person shall be served with notice of our proceedings, and have the opportunity to defend his or her reputation if desirous of doing so.

In closing, honourable senators, I wish to say that the committee will appreciate your concurrence in these amendments. We will thank you for your assistance in carrying on this work in an efficient and capable manner.

The motion was agreed to.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 159, to 180, which were presented yesterday.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

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

THE SENATE

Tuesday, February 19, 1957

The Senate met at 8 p.m., the Hon. Nancy Hodges, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

CANADA COUNCIL BILL

FIRST READING

A message was received from the House of Commons with Bill 47, an Act for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

DIVORCE AND ANNULMENT

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill W-5, an Act for the relief of Florence Helen Leslie Redston.

Bill X-5, an Act for the relief of Jeannine Thauvoye Pastuszko.

Bill Y-5, an Act for the relief of Ellen Catherine Norma Hogan Liddell.

Bill Z-5, an Act for the relief of Abrasha Brainin.

Bill A-6, an Act for the relief of George Henry Eaton.

Bill B-6, an Act for the relief of John Bernard Finucane.

Bill C-6, an Act for the relief of Anne Marie Marguerite Victoria Melchers Harwood.

Bill D-6, an Act for the relief of Estelle Frances Demaio Parr.

Bill E-6, an Act for the relief of Helmut Josef Wagner.

Bill F-6 an Act for the relief of Therese Filion Robert.

Bill G-6, an Act for the relief of Elizabeth Mary Gnaedinger Johnson.

Bill H-6, an Act for the relief of Peggy Mary Trim Bodaly.

Bill I-6, an Act for the relief of Arthur John Chatham.

Bill J-6, an Act for the relief of Margaret Louise Martin Bowden.

Bill K-6, an Act for the relief of Margaret Joan Carol McCurley Decaire.

Bill L-6, an Act for the relief of Jean-Paul Audette. (Annulment).

The bills were read the first time.

STATISTICS

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

Hon. Mr. Roebuck: With leave, next sitting.

Honourable senators, may I take this opportunity to make a brief statement on the work of the Divorce Committee? At the main session of Parliament last year the time limited for filing petitions for bills of divorce expired on February 20, 1956. At the present session the expiry date was yesterday, February 18. I have here a table showing comparable statistics as of the expiry date in each of these sessions:

	1956	1957
Petitions filed	435	441*
Petitions withdrawn	3	4
Petitions heard and recommended	155	195
Petitions heard and rejected ...	2	1
Petitions heard and adjourned for adjudication or further evidence	3	5
Petitions to be heard	272	236
Total	435	441*

*441 represents an increase of 6 over the petitions filed at the 1956 session of Parliament.

Honourable senators, it will be noted that the committee has dealt with 40 petitions more this session than it dealt with in the same length of time last year, and I think that is an indication of the industry of the members of the committee. By way of general comment, it can be said that we are making reasonable progress.

Hon. Mr. Haig: May I ask the honourable gentleman what progress the divorce bills are making in their passage through the House of Commons?

Hon. Mr. Roebuck: That I cannot answer. Some divorce bills were being dealt with there this very afternoon, but I have heard very little about any debate on the bills in that house. I am not much concerned about discussion of divorce bills by members of the other house: usually it does not involve the merits of particular cases, but rather marks an occasion when someone wishes to get a little publicity in the newspapers.

SENATE CHAMBER

REPORT OF SUBCOMMITTEE ON SENATE
PRECINCTS

Hon. Jean-François Pouliot: Would the honourable Leader of the Government be kind enough to give a report on the progress of the repairs to this chamber?

Hon. W. Ross Macdonald: I must thank the honourable gentleman from De la Durantaye for giving me notice of this question.

Honourable senators will recall that when Parliament prorogued on August 14 last year a subcommittee of three, composed of the honourable Senators Dessureault, John J. Connelly and myself, had been appointed by the Internal Economy Committee to continue the work that had already been started in connection with certain improvements to this chamber. After prorogation the Clerk of the Senate again got in touch with the Department of Public Works and requested that the work proceed as soon as possible. The work did proceed, although there is not much evidence of it at the present time.

It has been intimated that this small subcommittee probably did not do much during the recess. I can assure honourable senators that it was very faithful to its task. We had a number of meetings between September and November. One member, the honourable senator from Stadacona (Hon. Mr. Dessureault), came from Quebec to attend three meetings, at his own expense.

The problems which we had to look into were four in number. I will refer first to the lighting. I think honourable senators will agree that there has been a considerable improvement in the lighting of this chamber.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Macdonald: It is not perfect yet, and the engineers are endeavouring to make further improvements. We found that the defect in the lighting was not entirely due to the lighting system itself but was connected with the condition of the walls of the chamber. Honourable senators will observe that at present the stone walls are practically white, or at least they are the natural colour of the stone. It may not be generally recalled that when we left this chamber on the 14th of August last the stonework was almost black. I am informed that it had not been cleaned since the chamber was built. Of course, so long as the walls of the chamber were black there was little or no reflection of light. The stonework in the galleries was in an even more disgraceful condition than it was in the chamber itself. The improvement in the lighting is due to the cleaner walls and increased wattage of the bulbs in the ceiling

fixtures. But I repeat that our efforts have not ceased and we intend to get even better lighting if possible.

The subcommittee also found that the surface condition of the woodwork was not very good, that it too needed cleaning. However, the woodwork could not be cleaned until the stonework was cleaned. The cleaning of the stonework took a long time, because there is no machinery that can be used to do that work: scaffolding had to be erected and every square foot of that stonework was cleaned by hand.

The windows of the chamber were the next problem we faced. That problem was directly connected with the lighting. It had been brought to the attention of the subcommittee that the windows up near the ceiling are not appropriate for the chamber. We had representatives from the Department of Public Works at our meetings and a certain type of glass was examined. We thought it was satisfactory, and had some put in the far window, but we found that the sunlight came through too strongly. It will be appreciated that we must have a glass which, while allowing the light to come in, will not admit sunrays so powerful that honourable senators sitting opposite cannot look at the light. So we started all over again and considered another type of glass and we believe that this glass, which is similar to that in the far window on the left-hand side of the chamber, will be satisfactory. To instal it will take some time, as all the framework must be removed. The new glass is on hand, and if there had been sufficient time last year it would have been in place by now. The work will be done as soon as possible.

We have been asked to obtain a new carpet. Application was accordingly made to the Department of Public Works, and the new carpet is on hand; but honourable senators will realize that if it were laid while the dirty work incidental to the installation of the glass is being carried on, it might soon be ruined. It has therefore been decided not to lay the carpet until the woodwork has been cleaned and new glass put in the windows.

Hon. Mr. Reid: May I ask what these changes will cost?

Hon. Mr. Macdonald: I have not the details here.

Hon. Mr. Crerar: Is the carpet to which the honourable Leader of the Government (Hon. Mr. Macdonald) refers intended for the floor of this chamber?

Hon. Mr. Macdonald: Yes.

Hon. Mr. Crerar: What is wrong with the present carpet?

Hon. Mr. Macdonald: It is worn out in many places and should be replaced. The subcommittee was authorized to obtain a new carpet and it has done so. If the honourable senator from Churchill (Hon. Mr. Crerar) will look more closely at the carpet now on the floor he will see that in many places it is worn down to the welt. It will not be entirely discarded; the portions which can be used will be placed in various rooms. But in many places it is worn beyond repair, and the committee feels that the chamber is worthy of a new carpet.

Some Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: Another problem with which we were presented was the air conditioning of the chamber. Experts were called before us; several proposals were made; and one of them, which we think is satisfactory, was accepted. It will provide for ingress of air from the sides of the chamber, but at points higher than where it comes in at the present time. The air will then go upward and come down in the centre. In this way we hope that neither cold nor hot air—I hope you understand what I mean—

Some Hon. Senators: Oh, oh.

Hon. Mr. Macdonald:—will hit any honourable senators on the shoulders or the back of the head.

Hon. Mr. Roebuck: You are working both ends against the middle.

Hon. Mr. Macdonald: This will require some change in the woodwork, which of course cannot be undertaken when the Senate is in session. However, the plans have been drawn and the company which is going to do the work is prepared to proceed with it as soon as Parliament prorogues. Certain work will also be required to be done underneath the Senate chamber itself, but provision for the ducts in the walls has been made and the work will be proceeded with as soon as possible.

I think honourable senators will agree that we have handled these problems fairly well. In fact, I do not think we could have handled them any better.

I must report that there is a difficult problem in connection with the acoustics in this chamber. I think most of us would like to have an amplification system, but whatever is done to improve the acoustics will involve moving the paintings now hanging on the walls.

The experts who were retained to look into this problem have gone into it thoroughly. They have found that the paintings were put on the walls in the first instance in order to

improve the acoustic properties of the room. When the chamber was first used the walls were bare, and the echo of voices was so great it was impossible for honourable senators to be clearly understood when addressing the house. To improve this condition the authorities had some wadding, from six to twelve inches thick, placed on certain parts of the walls. This wadding was covered by light canvas, which in turn was covered by paintings.

The subcommittee felt it might be advisable to have the present paintings replaced by murals depicting typical Canadian scenes, including perhaps a scene from each World War. I suppose everyone who thinks he has an appreciation of art will have his own idea of what should be hung on the walls, but that is not our problem at the moment. Our problem is to decide what it would be feasible to put up, for the acoustical engineers are not sure that murals would be satisfactory if an amplification system were installed. They admit this poses quite a problem, but they are still inquiring into it.

Another thing that has to be decided is what equipment should be installed. Many people are strenuously opposed to the idea of stringing microphone wires from the top of this beautiful ceiling.

Hon. Mr. Reid: It certainly would not look good.

Hon. Mr. Macdonald: I, too, am inclined to think that way, but this is a matter which will eventually have to be decided by the Senate as a whole. The idea of having microphones coming from the floor near each desk is under consideration. Another proposal is that when a member wishes to speak he could pick up a microphone attachment from his desk and fasten it to his coat lapel. These various methods are under consideration at present.

We ran into one other difficulty which prevented us from having the air-conditioning system in effect at this time, and possibly from having the glass installed on one side of the chamber. However, it might not have been advisable to have had the glass work half done. In any event, when Parliament prorogued, on August 14, it was not expected to reassemble until some time in January of this year. Then on November 13 the Suez crisis arose and there was a period of uncertainty as to whether an emergency session would be necessary. In view of that uncertainty we could not allow the contractors to proceed too far in their work, which would involve dismantling the chamber. Actually Parliament was recalled on November 26, so all the work we had planned to take place

between the middle of November and the end of the year had to be set aside.

Now, what about the future? We hope that, as soon as Parliament prorogues, work will start immediately on the air-conditioning system, the windows and the cleaning of the woodwork. When that has been accomplished the new carpet can be laid. At the same time the work on the amplification system will continue, but I am not too optimistic that it will be finished by next fall, when it appears there will be a session of Parliament. I am, of course, speaking on my own and I have no authority for making that statement; but if Parliament should prorogue in April I think it is altogether likely there will be a fall session.

Another difficulty arises from the fact that the World Postal Congress is to assemble in Ottawa on August 16. I am informed that this is one of the largest organizations of its kind, and it is likely to require the use of both chambers of Parliament in order to carry on its meetings. That is all arranged. However, the work which we hoped would be in full swing earlier may have to be delayed; of that I cannot be certain. All I can say is that I am satisfied that the subcommittee appreciates the confidence which the members of this house have placed in it. We feel that we have been faithful to our task, and we shall continue to do our best as long as our efforts are required.

Hon. Arthur W. Roebuck: Honourable senators, I am sure that we are all gratified by the report made by the honourable Leader of the Government (Hon. Mr. Macdonald) and are glad to hear that the subcommittee is making some progress. However, may I ask if it is not merely continuing a very unsatisfactory condition in keeping these pictures on the walls or by substituting other pictures? This chamber was never designed for its present form. The spaces between the pillars on the sides were intended for galleries. The blueprints, which are available, show how the chamber was planned back in 1916, when space was set aside for galleries on both sides. These pictures are simply blocking what should be the openings to galleries.

Hon. Mr. Vien: Hear, hear.

Hon. Mr. Roebuck: The cost of removing the pictures and completing the galleries in accordance with the original plan was considered twenty or thirty years ago, and it was estimated then that this chamber could be finished according to the original plan, with galleries built to accommodate some 300 people, at a cost of some \$200,000. Of course, the cost would probably be double that amount now. On the other hand, it seems to

me that we shall never have a proper chamber so long as we retain this subterfuge of blocking our galleries with pictures, or whatever else might be put in their place.

Honourable senators, at the opening of this session I raised a question about the noise made by members of the other house who carried on conversation behind the bar at the entrance to the chamber while the Governor General was reading the Speech from the Throne. The unfortunate people standing or sitting back of the members cannot hear or see anything. This has occurred session after session. I am rather surprised that people continue to attend under such conditions, and that their patience has not long since been exhausted.

Honourable senators, I think the time has come to complete this chamber in the way it was planned in the first instance. The erection of this building began shortly after the fire in 1916. Perhaps the reason for not having completed the Senate chamber was lack of money, or more likely the desire to have it ready for occupancy as early as possible, with the idea of finishing the job in the near future. Unfortunately, decade after decade has passed while the unsightly walls and very unsatisfactory acoustical conditions have remained.

Honourable senators, I compliment the subcommittee on the work it is doing, but wish to point out that whatever solution it arrives at in replacing these pictures will simply continue an unsatisfactory condition which perhaps should have been corrected forty years ago. I hope the subcommittee has given some consideration to this problem, and if it has, would the honourable leader mind telling us what problems have been met and what prospect there is of completing the chamber?

Hon. Jean-François Pouliot: Honourable senators, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) rose so quickly that I did not have time to thank the honourable Leader of the Government (Hon. Mr. Macdonald) for the most interesting explanation and report that he has given to us. For my part, I am satisfied when there is good will and when there is progress; and apparently there is good will and progress in the work of the subcommittee over which he presides.

I am most interested in what the honourable senator from Toronto-Trinity suggested, and it deserves serious consideration. Might I add a word? The more attractive this chamber is made, the more influential the Senate will be, and the larger will be the attendance at our debates, for the very good reason

that those who come into the galleries will be in a position to hear what is said in this chamber.

Hon. Mr. Macdonald: Honourable senators, perhaps I should first answer the honourable senator from Toronto-Trinity. We did consider the question of enlarging the galleries, but as it involved an outlay of probably half a million to a million dollars we did not think that you intended us to take an expenditure of that kind under consideration.

I should also point out that the subcommittee's work is ended, because we were instructed to act during the recess only. Since Parliament has reassembled the matter has gone to the Internal Economy Committee, to which body our subcommittee will give a full report. If we are requested to get some information regarding the possibility of putting in the galleries, I am sure we shall be glad to do so.

Hon. Mr. Roebuck: May I make that request?

Hon. Mr. Macdonald: Then the request would be to the Internal Economy Committee.

Hon. Mr. Molson: May I ask the honourable Leader whether a ventilation or air conditioning system is proposed?

Hon. Mr. Macdonald: Air conditioning. The ducts will be in the walls and the equipment will be underneath this chamber.

Hon. John T. Haig: Honourable senators, I do not want to enter into this debate at all, but I wish to say that I think the question of acoustics is the most important problem in this chamber.

Hon. Mr. Farris: Hear, hear.

Hon. Mr. Haig: It is of no use carrying on a debate in this house if the only people who can hear what is going on are those who happen to be somewhere in the centre, nor is there any point in having people in the gallery if our proceedings are inaudible to them.

This question of acoustics reminds me that the chamber with the worst acoustic conditions in Canada is the Legislation chamber in Winnipeg. It is probably one of the most beautiful buildings in the world, and everything under the sun has been tried to improve the acoustics. The conditions there are so poor that certain members sitting in the front row on the Government side cannot hear what certain people on the opposition side say, and vice versa. Sometimes when a minister addresses the house he can be heard only by those sitting near to him, and often people in the galleries have great difficulty in following what

goes on. I am sure that the only reason why certain members were ever re-elected was that they spoke in a very loud voice that was audible in the galleries. Defeated members have been told, "You never even made a speech", because their constituents in the galleries did not hear them. The Manitoba Legislature spent a good deal of money to try to find an answer to the problem, and conditions have been greatly improved, although the situation is far from perfect yet. I suggest that before engineers are asked to decide on how to meet the problem in this chamber the committee send a representative to Winnipeg to study what has been done to improve the acoustics in the Legislature there. I am confident that this would be worth while.

Hon. Mr. Farris: Have they loud speakers there?

Hon. Mr. Haig: No, they have not; they do not need them. The building is of stone, and stone throws an echo back. The inside of the chamber is now lined with silk, which when put on properly and well maintained does not give back an echo. Many other improvements have been made to meet the problem, and I do urge that these should be investigated by the committee.

Hon. Mr. Farris: Of course, our problem is not the same as theirs.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from Wednesday, February 13, consideration of His Excellency the Governor General's Speech at the opening of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. George H. Barbour: Honourable senators,—

Hon. Senators: Hear, hear,

Hon. Mr. Barbour:—first let me say that I take much pleasure in congratulating the honourable senator from Victoria (Hon. Mrs. Hodges) on her appointment as Acting Speaker tonight.

Hon. Senators: Hear, hear.

Hon. Mr. Barbour: It is not the first time that the honourable lady senator has occupied the Speaker's chair, but I believe it is the first occasion on which she has done so in this chamber. I am sure her appointment as Acting Speaker will be well thought of in the province of British Columbia, and especially in the city of Victoria.

On beginning my remarks I am reminded of a story about two Presbyterian ministers who frequently exchanged pulpits. The occasion usually arose when one of them wished to leave his charge. The first time this minister invited his colleague to substitute for him, he said: "When you start to preach, some of the congregation will get up and go out. Pay no attention to it, for they do the same to me." The visiting minister took as his text, "Thou art weighed in the balances, and art found wanting." After he had been speaking a while one member of the congregation got up to go out, and the minister said "As you are weighed, pass out." No further members left.

Some Hon. Senators: Oh, oh.

Hon. Mr. Barbour: First may I join with the honourable senators who have already spoken in congratulating the mover and the seconder upon their splendid addresses. The mover comes from that rich province of Quebec, and the seconder from the rich and fast-growing province of British Columbia. I am sure these honourable gentlemen will find the Senate a pleasant place in which to meet and work with their colleagues from other parts of Canada. Two other new senators entered the chamber this session, one from New Brunswick and the other from Saskatchewan. I feel sure that they too will have already felt something of the warmth of friendship that abounds in this chamber.

At the commencement of the present session about the only disturbing factor in Canada was the strike on the Canadian Pacific Railway. However, after a short time the differences were resolved and rail operations were resumed. But conditions in other parts of the world, such as Austria, Cyprus and the Middle East were not as peaceful as those in Canada. When we think of the disturbing conditions in other countries we should be very proud of Canada, a country in which we are able to live in peace and contentment, and in which we can each go our own way and choose what we shall do. I think we can also be proud of our Government, and of the Opposition too, for the prompt action that Parliament took in voting money to supply food, clothing and transportation to refugees from Hungary who wished to come to Canada.

One of the problems that has been with us of late years is that of the continual rise in the consumer price index. In 1949 the Bureau of Statistics made up a list of items to which it apportioned certain percentages, the total of which was 100. That list consisted of: food,

32; shelter, 15; clothing, 11; household operations, 17; and other commodities, 25. The total of the figures for these items today is 120 or more.

I should like to draw particular attention to the item of food, 32 per cent. This is the portion of the consumer items which the farmer provides. At the time the bureau published its latest report I believe the index was down slightly, for the reason, it was said, that food was cheaper. There are about 170 items other than food which enter into the consumer price index and which the farmer and his family have to buy. I refer to clothing, for instance. So the farmer not only supplies the food, but he has to bear the increase in all of the other items which he purchases.

We recently received the preliminary report of the Gordon Commission. I should like to say something about why it was found by that commission that incomes in the Maritime provinces were much lower than in other parts of Canada. In 1871, four years after Nova Scotia, New Brunswick, Quebec and Ontario entered Confederation, the population of Canada was 3,631,786. At that time the population of Prince Edward Island was 98,021. In 1951 the population of the Island was 98,492, or an increase of about 470 people. However, in 1891 the Island had 109,000 people, but in 1931 only 88,000.

You may ask why the population in that province is not increasing. I say one reason is that the federal Government has not since 1912 carried out the terms of Confederation with respect to freight rates as promised in 1864 to the people of Nova Scotia when they entered Confederation. In that connection I should like to read from a booklet published by the Transportation Commission of the Maritime Board of Trade:

It is not necessary to quote in detail the declarations of some of the Fathers of Confederation with reference to the Intercolonial Railway as an inducement to the Maritime colonies to enter the political union, nor is it necessary to question here whether those pronouncements were made in other than good faith and sincerity. Suffice it to refer to but a few excerpts from addresses of Sir John A. Macdonald, Hon. A. T. Galt, Hon. George Brown and Hon. George Etienne Cartier to indicate what they wished to impress as the purpose and intent of the railway.

Sir John A. Macdonald said in part at Halifax in 1864:

"I don't hesitate to say that with respect to the Intercolonial Railway it is understood by the people of Canada that it can only be built as a means of political union for the colonies. It cannot be denied that the railway, as a commercial enterprise, would be of comparatively little commercial advantage to the people of Canada."

The Honourable Mr. Galt made this statement: "The railway is not to be looked upon as a question of cost but as a bond of union that will unite us in peace and in time of need."

At Halifax on September 10, 1864, the Honourable George Brown had this to say:

"Union of all the provinces would break down all trade barriers between us, and throw open at once to all a combined market of four millions of people. You in the east would send us your fish and your coals and your West India produce, while we send you in return the flour and the grain and the meat you now buy in Boston and New York."

At the conclusion of his address in Halifax, the Honourable George Etienne Cartier said:

"Let me assure you that the promises we make are made in all sincerity and good faith—in urging union upon you we believe we are doing that which will be for your happiness and prosperity."

The Royal Commission of Maritime Claims (generally known as the Duncan Commission) after "a balanced study of the events and pronouncements prior to Confederation, and, at its consummation" found:

(a) That leading Canadian statesmen in urging the adherence of the Maritime Provinces to Confederation defined the purposes of the railroad to be

(i) A means of affording to Canadian merchandise, and to Canada herself in times of national and imperial need, an outlet and inlet on the Atlantic ocean—available all the year around—and

(ii) To afford to Maritime merchants, traders and manufacturers, a market of several millions of people instead of their being restricted to the small and scattered populations of the Maritimes themselves, particularly in the light of the disturbance with which their trade was threatened as the result of the discontinuance by the United States of the reciprocal arrangements that had prevailed.

(b) That strategic considerations determined the actual course of the line—making it many miles, estimated by Sir Sanford Fleming at 250 miles longer than was necessary—if the only consideration had been "to connect the cities of the Maritime Provinces to those of the St. Lawrence."

A little farther on the booklet says:

The Duncan Commission was satisfied that up to 1912 the freight rate structure on the Intercolonial Railway reflected a "fulfilment by successive Governments of the policy and pledges" incipient with the railway. Evidently Maritime trade and commerce was able to bear the then prevailing rate structure. Subsequent to 1912 until the time of the Commission's report (1926) it was found that the "Intercolonial rates have suffered an estimated cumulative increase of 92 per cent" (i.e. their 100 became 192) whereas "the estimated average increase of rates for the rest of Canada" was "55 per cent" (i.e. their 100 became 155)—a situation which resulted in the following conclusion:

"That the rate structure as it has been altered since 1912 has placed upon the trade and commerce of the Maritime provinces (a) a burden which, as we have read the pronouncements and obligations undertaken at Confederation, it was never intended it should bear, and (b) a burden which is, in fact, responsible in very considerable measure for depressing abnormally in the Maritimes today business and enterprise which had originated and developed before 1912 and on the basis and faith of the rate structure as it then stood."

So, honourable senators, you will see that at the time of Confederation it was never intended that the Maritimes should bear the whole burden of freight rates.

Consider, as an example, the transportation of automobiles from such centres as Oshawa or Windsor. Automobiles shipped to the Maritimes are loaded into a boxcar, with

three to a boxcar. I think the freight charge for a carload of automobiles is something like \$180. But the freight charge on the same automobiles being transported between Oshawa and Montreal or between Windsor and Montreal is much lower. Honourable senators driving along the highway frequently meet transport trucks loaded with as many as five automobiles. These transports are loaded at the factory and deliver the automobiles at the dealer's door, and the cost of doing that cannot be more than one-third of the cost of transporting automobiles to the Maritimes.

A great deal has been written about the preliminary report of the Gordon Royal Commission. Perhaps the final report will contain some proposals of benefit to Prince Edward Island. The Island cannot well spare any of its farmers or, indeed, any of its people. The distribution of the population by age groups shows that 32,865, or a little over one-third, are under 15 years of age. The group aged from 25 to 64 years number 41,004, but assuming that half of these are women there are not more than 20,000 male workers under 65.

Our farmers are capable and efficient. The main cash crop of the Island, potatoes, is subject to strict supervision. Every grower must plant certified seed, and the plants are inspected twice in the field by federal inspectors. Very often the potatoes are planted tuber unit, which means that the cut pieces of each potato are grouped in sets, which are divided from the next tuber unit by a longer space, so that if one diseased plant is found all the plants in that unit are removed. By this means—inspection in the field and the uprooting of bad plants—the seed is maintained at high quality. I talked over the matter of cost with the honourable senator from Westmorland (Hon. Mr. Taylor). I figure that an outlay of \$150 to \$175 is necessary to plant an acre of potatoes. This includes \$50 for a ton of fertilizer, the cost of digging, spraying, cultivating and removing diseased plants. As I have mentioned, the potatoes are inspected twice in the field; they are inspected in the bin; they are inspected again when they are graded at the farm, and the final examination takes place when they are loaded into boats or cars. As a result, quotations average from 15 to 20 cents per sack more than for any other Canadian-grown potatoes, and at the Royal Winter Fair the Island's product wins most of the first prizes. If we did not take such care to ship the very best stock we could not carry on and make a living.

In other lines of farming our people are just as capable. But the whole family has

to work. One may see girls and boys and women driving tractors and busy in the fields; they enjoy it. But after all, that is one side of farming: what makes the life worth while are the homes and the children. As a rule it is in the country, not the cities, where one finds large families. A couple of days ago I saw in one of our newspapers a photograph of 20 nurses on the staff of the Charlottetown hospital. The report of their names and places of origin showed that two were from Charlottetown, 11 from farms in the province, two from Boston, one from Moncton, and four from other towns. Our farm children are taught to work, and they make good citizens.

Many years ago, Jeremiah Blanchard, speaking in the Legislature on the subject of education, remarked that for all they knew a future Pope of Rome might be sitting on some school bench. So far our schools have not produced a pope, but the first English cardinal in Canada, Cardinal McGuigan, was sitting at that time on a school bench on the Island. He was raised on a farm and came from a rather poor section. I believe the honourable Leader of the Opposition (Hon. Mr. Haig) knows the Rev. J. S. Bonnell.

Hon. Mr. Haig: I surely do.

Hon. Mr. Barbour: I think the honourable senator was in Mr. Bonnell's congregation at Winnipeg. The reverend gentleman is now pastor of the First Presbyterian Church, New York. His congregation think highly of him, and he was offered a larger salary than he would accept for his own use, so he returned some of it, saying he had plenty to live on. He too was born on a farm on the Island, in only a fair farming district.

Having spoken of the Island's spiritual assets, perhaps I should turn to some of its commercial achievements. Not all our successful people have left home. Captain Carl Burke was raised in Prince Edward Island and has stayed there. He too was raised on a small farm. His father told me many years ago that he could not get the boy interested in anything but aeroplanes. Carl worked away until he got \$500, and then bought a little plane and engaged in flying.

Hon. Mr. McIntyre: He borrowed the money.

Hon. Mr. Barbour: Probably he did. Today he either owns or holds a controlling interest in Maritime Central Airways. Since last June the company has made 119 flights across the Atlantic and brought 18 plane-loads of Hungarian refugees to Canada, 68 persons in a plane. He has on order two aeroplanes costing one and a quarter million dollars each. Captain Burke operates three daily trips to

Moncton, two to New Glasgow, one to Halifax, and five weekly trips to the Magdalen Islands and Goose Bay. He built and operates the best motels in Moncton and Charlottetown, and he bought the Charlottetown Forum for \$35,000. He is not complaining about conditions in the Maritimes.

Would honourable senators be interested in a little bit about sports? There is a young man from Prince Edward Island by the name of Joe O'Brien, whose father owned a race track and bred and trained race horses on the Island. When Joe was very young he used to help his father, but now he makes his headquarters in Shafer, California. For the third straight year he has won both grand circuit titles in the United States, winning \$240,787 and capturing 72 victories. In the 1956 season he won \$86,179 with *Diamond Hal*, \$88,855 with *Scott Frost* and \$56,192 with *Adios Express*. Joe O'Brien draws a salary of \$20,000 a year, and on top of that he gets 10 per cent of his winnings, which last year amounted to \$422,615.

Honourable senators, I thank you for your attention.

On motion of Hon. Mr. McLean, the debate was adjourned.

PRIVATE BILLS

KINGS MUTUAL INSURANCE COMPANY— SECOND READING

Hon. John A. McDonald moved the second reading of Bill A-5, an Act to incorporate Kings Mutual Insurance Company.

He said: Honourable senators, the Kings Mutual Fire Insurance Company, with headquarters at Berwick, Kings County, Nova Scotia, was established in 1904 by a group of farmers of Berwick and vicinity who were interested in insurance for themselves.

Chapter 46 of the Acts of Nova Scotia, session of 1903-04, provided for the formation of fire mutuals in the province. One hundred thousand dollars insurance had to be subscribed before making application for incorporation. This amount of insurance was subscribed for, and articles of incorporation were presented to Messrs. S. C. Parker, John H. Chute and B. H. Lee. Today the company does business in ten counties of the province, and at the close of the year 1955 had over \$32 million insurance in force. Through the years the company has rendered sound business and economical insurance services, mainly to farmers, with a resultant saving to policyholders.

On the death of the company's first president, Mr. S. C. Parker, in 1927, Mr. Manning Ells, a leading poultryman and farmer of eastern Canada, with whom some honourable

senators were acquainted, became president; and at the time of his regrettable and sudden passing, a few days ago, he had had an unbroken record of 45 years as an officer of the company. He has been succeeded in office by a director of long standing, Mr. Hall.

In 1954 the company was obliged to seek legislation empowering it to supply its policyholders with what was then known as the supplemental coverage for attachment to fire policies. This was brought about by the result of damage caused by the two destructive hurricanes "Edna" and "Hazel".

As honourable senators know, the trend of the fire insurance business in recent years has been to offer to the public various forms of contracts which might induce people to buy coverage to the prejudice of other companies not in a position to offer similar coverage. In other words, competition has been very keen, and with an eye to the future of this company the directors hope to place their company in a position whereby they will be able to offer low composite policies, which seem to be meeting public favour at this time. It is rather a slow, roundabout way if they are obliged to seek special legislation under the provincial act from time to time for the privilege of writing the various coverages being asked for from the insuring public.

The Kings Mutual Fire Insurance Company is the largest of several farm mutuals in Nova Scotia, and has outgrown its provincial status.

Since all Nova Scotia insurance companies are required to register with our federal Superintendent of Insurance, Mr. MacGregor, he has had previous knowledge of this company.

This bill, if it meets with the approval of honourable senators, would grant the request of the directors of Kings Mutual for incorporation under the Canadian and British Insurance Companies Act. The manager of the company, Mr. Taylor, wrote a few days ago stating that at their annual meeting the shareholders unanimously approved the request of the directors for this legislation.

The Superintendent of Insurance and our Senate counsel have told me that the bill is in order and similar to that given the Perth Mutual and another mutual in Saskatchewan.

Honourable senators, if this bill receives second reading I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills for further consideration.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, the bill was referred to the Standing Committee on Miscellaneous Private Bills.

ALLIANCE NATIONALE—SECOND READING

Hon. L. M. Guoin moved the second reading of Bill T-5, an Act respecting Alliance Nationale.

He said: Honourable senators, this is a very simple bill. The first section merely seeks to change the name of Alliance Nationale to Alliance Mutual Life Insurance Company, and in French, *Alliance Compagnie Mutuelle d'Assurance-vie*. May I say here that I am not a policyholder nor have I any other interest in the company. This organization was originally incorporated as a fraternal benefit association, by a Quebec statute enacted in 1893, chapter 84. Then in 1917 it obtained federal incorporation, by chapter 69 of 7-8 George V. Amendments were introduced in 1924 and 1929, but they were repealed in 1945, by chapter 44, and under that statute of 1945 the organization has become a mutual life insurance company. The proposed new name accurately describes the nature of the company. I would add that the company enjoys a very good reputation.

Section 2 repeals section 8 of chapter 44 of the statutes of 1945. Section 8 was of a purely provisional character and provided that the members of the executive of the Alliance Nationale would be the directors until the board of directors were duly elected.

Section 3 is more interesting, and its purpose is to repeal section 9 of the statutes of 1945, chapter 44, which I referred to a little earlier, and to substitute a new section 9. The intention is to have this section brought in line with the provisions of the Canadian and British Insurance Companies Act. Under subsection (1) the members of the company entitled to vote will be every person who has contracted for a participating policy, and who holds such a policy upon which no premiums are due. That is the normal procedure.

Subsection 2 of new section 9 provides for the qualification of directors. They would be such members holding participating policies for \$4,000 or more, exclusive of bonus additions, and upon which no premiums are due, and who have paid premiums for at least three full years. The subsection also provides for those who, instead of taking an ordinary participating policy, take an annuity. A scale is given showing how the calculation will be made in the case of what I would call an annuity policy.

Subsection 3 of new section 9 provides that a person having any acquired rights shall not suffer any prejudice but will retain his qualification as a member, provided he continues to meet the conditions of eligibility existing as at the date of issue of the insurance policy on his life. In other words, the

persons in the future who will be the qualified members and eligible to become directors will be practically on the same footing as those of any other mutual life insurance companies under the Canadian and British Insurance Companies Act, but at the same time care was taken that nobody should suffer any prejudice through the amendments which I have just explained.

Finally, section 4 states that the Act shall come into force on the first day of January, 1958. That is in order to allow the necessary changes to be made in the policies and in the other documents of the organization, which is doing a great amount of business. It will take some time before the company is ready to act under what I would call its new charter.

Honourable senators, if second reading is given to this bill I shall ask that it be referred to a committee so that all the explanations which may be required can be given by those who are interested in the company.

Hon. Mr. Roebuck: May I ask the honourable gentleman three questions? (1) Would he give us his definition of a participating policy? (2) Are there other policies besides participating policies? (3) If there are others, why are they not recognized as well?

Hon. Mr. Gouin: If I understand correctly, a participating policy is one under which the insured is not only entitled to benefit, say at death or after so many years, but receives also the so-called bonus or dividends, because it is a mutual life insurance company. Of course, a much better explanation on this point will be given in committee. I must admit that personally I have no intimate knowledge of the company's manner of doing business; but I know that generally speaking our companies proceed in the way in which I have just described.

Hon. Mr. Roebuck: Can the honourable senator give us the reason why only the policyholders who participate in the profits are allowed to vote at the company's general meetings?

Hon. Mr. Haig: There are two kinds of policies. On the participating policy the insured pays a larger amount than on the other kind.

Hon. Mr. Roebuck: But he gets more benefits.

Hon. Mr. Leonard: One policyholder is a creditor and the other has a proprietary interest.

Hon. Mr. Farris: Honourable senators, why not leave these questions to be answered when the bill is considered in committee?

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

REFERRED TO COMMITTEE

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

Hon. Mr. Gouin: Honourable senators, I understand the practice is to refer bills of this type to the Banking and Commerce committee. However, the honourable senator from Kings (Hon. Mr. McDonald) has asked that the bill which he explained be referred to the Miscellaneous Private Bills Committee, to which I have no objection. As these two bills are in some respects similar, it would seem logical that they should be considered by the same committee. I would therefore move that this bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 20, 1957

The Senate met at 3 p.m., the Hon. Nancy Hodges, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

DIVORCE AND ANNULMENT BILLS

FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill M-6, an Act for the relief of Donald Edmund O'Neill.

Bill N-6, an Act for the relief of Joseph Robert Gilbert Croteau.

Bill O-6 an Act for the relief of Eve Giasson, otherwise known as Lucien Giasson.

Bill P-6, an Act for the relief of Ingrid Malten Prokopp.

Bill Q-6, an Act for the relief of Edward Douglas Taylor.

Bill R-6, an Act for the relief of Jacqueline Waite Chew Keen.

Bill S-6, an Act for the relief of Stanley Smith Wilson.

Bill T-6, an Act for the relief of Marjorie Alice Holdron Thorbergson. (Annulment).

Bill U-6, an Act for the relief of Irene Kluchnyk Shyshko.

Bill V-6, an Act for the relief of Beatrice Lillian Sidaway Mudry.

Bill W-6, an Act for the relief of Bernard George.

Bill X-6, an Act for the relief of Helen Rose Bickerdike Ovenden.

Bill Y-6, an Act for the relief of Catherine Violet Mooney Leger.

Bill Z-6, an Act for the relief of Laurice Michel Malouf.

Bill A-7, an Act for the relief of Helene Victorine Monseur Sharpe.

Bill B-7, an Act for the relief of Kenneth Franklin Hallas.

Bill C-7, an Act for the relief of Joan Betty Mae Barnard Laframboise.

Bill D-7, an Act for the relief of Lemuel Alvin Henry Ward.

Bill E-7, an Act for the relief of Joseph Raoul Guy Felix Labelle.

Bill F-7, an Act for the relief of Gene Koklyte Gedvila.

Bill G-7, an Act for the relief of Lillian Martin Cyr.

Bill H-7, an Act for the relief of Ange-Aimee Jacqueline Lacoste Paquette.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

PACIFIC GREAT EASTERN RAILWAY

INQUIRY

On the Orders of the Day:

Hon. Thomas Reid: Honourable senators, before the Orders of the Day are proceeded with, may I direct a question to the honourable Leader of the Government with respect to a press dispatch which has just reached me? The dispatch states that Premier Bennett of British Columbia declared Thursday night that Donald Gordon, President of the Canadian National Railways, was prepared to buy the government-owned Pacific Great Eastern Railway. I would like to know if it is correct that Mr. Gordon is prepared to take this railway off the hands of the Government of British Columbia.

Hon. W. Ross Macdonald: Honourable senators, I have no knowledge of such an offer, but I can make inquiries about it. I would remind my honourable friend that the Canadian National Railways is a crown corporation, and whether or not I can get the information I do not know. However, I shall inquire.

Hon. Mr. Reid: In making such an offer as that surely Mr. Gordon would be responsible to Parliament, because if the purchase were made he would have to come to Parliament to have it approved.

Hon. Mr. Macdonald: It is quite true that if the railway were purchased the necessary funds would have to be appropriated by Parliament.

Hon. Mr. Reid: I would like to know if a legitimate offer has been made.

QUEEN ELIZABETH HOTEL, MONTREAL

INQUIRY

Hon. R. B. Horner: Honourable senators, may I ask the honourable Leader of the Government if Donald Gordon secured the permission of Parliament before making an agreement with the Hilton hotels company for the rental of the Queen Elizabeth Hotel in Montreal?

Hon. Mr. Macdonald: I doubt if it was necessary for him to obtain that permission, but whether he did or not is a matter of record. The honourable gentleman was here

and he would recall whether or not permission was obtained from Parliament. I do not recall the matter having come before Parliament.

PRIME MINISTER OF FRANCE

MR. GUY MOLLET TO ADDRESS MEMBERS OF BOTH HOUSES

Hon. W. Ross Macdonald: Honourable senators, before the Orders of the Day are proceeded with, may I refer to an announcement that was made by the Prime Minister this afternoon in the House of Commons? It was that Mr. Guy Mollet, the Prime Minister of France, and Mr. Christian Pineau, the Foreign Minister of that country, will arrive in Ottawa from New York on Saturday, March 2. They will spend Saturday in Ottawa, and on Sunday will proceed to Quebec City. On Monday, March 4, they will return to Ottawa. On that day the Prime Minister of France will address a meeting of the members of both houses in the House of Commons, beginning at 11.30 in the morning. That hour is not as convenient as it might be for many members of this house, but as Mr. Mollet will have such a short stay in Canada it is the only time available.

WABANA, NEWFOUNDLAND, AIRSTRIP INQUIRY AND ANSWER

Hon. Calvert C. Pratt inquired of the Government, pursuant to notice:

Have plans been prepared for the building of an airstrip at Wabana, Newfoundland, and, if so, when does the Department of Transport propose to proceed with the work?

Hon. Mr. Macdonald: The answer to the honourable gentleman's inquiry is as follows:

The Department of Transport has prepared plans of a proposed airstrip at Wabana, Newfoundland, and these have been forwarded to the Department of Public Works of the Province of Newfoundland. The federal Government is prepared, subject to the approval of Parliament, to contribute funds up to an amount of \$85,000 on the basis that subject to this limitation the costs will be shared equally with the Government of Newfoundland. Arrangements for construction will be made by the provincial Government and not by the Department of Transport.

CANADIAN WHEAT BOARD BILL

SECOND READING

The Senate resumed from Thursday, February 14, the adjourned debate on the motion of Hon. Mr. Lambert for the second reading of Bill 9, an Act to amend the Canadian Wheat Board Act.

Hon. T. A. Crerar: Honourable senators, the Wheat Board Act, of which this house has clear memories, is back with us once more. It is something like an acquaintance, long absent, who has been in the habit of calling upon us for a small cash donation. Once more he comes: we wish he had remained away, but he is here, and usually we get rid of him by giving him some more cash.

The first thing I wish to say is a word of appreciation to my old friend the honourable the senior senator from Ottawa (Hon. Mr. Lambert), for the kind and even generous words which he said about myself in his introductory remarks on the bill. I dare say it is the vanity of advancing years, but I am bound to admit that what he said was not unpleasant to me. I venture to add, however, that there are many outside this house, possibly some within it, who will not endorse the kind things that he said. But at any rate I am grateful to him.

My honourable friend explained Bill 9, which is entitled "An Act to amend the Canadian Wheat Board Act". The amendments are three in number, and are very simple: in each instance the figure "1957" is changed to "1962". On the face of it this looks very innocent; but honourable senators may permit me to observe that it packs quite a wallop. The sections which we are asked to amend, and which if so amended will then remain in effect from 1957 to 1962, are those which give the board all the compulsory powers it has.

I think honourable senators are aware of the nature of these powers. For example, no farmer who grows wheat in Manitoba, Saskatchewan, or Alberta, or in a few districts of British Columbia can market one bushel of it until he gets a permit to do so from a government authority, the Wheat Board. He cannot dispose of his wheat except through the board. Every country or terminal elevator company is an agent of the Wheat Board, and in order to cloak all this with the necessary respectability, the board is declared to be an agent of the crown. In essence, therefore, it is the crown that is doing all this business.

I can give you another illustration. The honourable senator from New Westminster (Hon. Mr. Reid), with his Scottish love of freedom, has protested against this sort of thing on more than one occasion in the Senate. Let us suppose that I grow seed wheat in Manitoba and I have a farmer neighbour who lives half a mile distant but on the Saskatchewan side of the boundary. The only way he can get my seed wheat for his farm is through my selling it to the board, because under the law he cannot buy it from me.

A year ago the honourable senator from New Westminster gave as an illustration a wheat farmer on the Prairies—say in Saskatchewan—having a poultry ranch in the Fraser Valley. He grows feed on his farm in Saskatchewan and wishes to ship a carload to his poultry ranch in the Fraser Valley; but he cannot do this. If he attempts to do it he will be subjected to penalties, and so will any railway company that attempts to transport the feed. If that is not a gross interference in a matter in which we should have a natural and undisputed freedom, then I would like to know what it is.

This is the sort of thing we are perpetuating in this legislation. Several years ago Parliament, always jealous of the powers it gives in legislation, wisely and justly provided that this legislation be reviewed within a stated period. That is why this bill is now before us. But let me repeat that the bill simply provides for continuance of the arbitrary powers of the Wheat Board in the manner I described a moment ago.

The Wheat Board has done a very good job within the limits of the tasks assigned it. Its chairman is a man of integrity and character, and that is a fortunate thing for us. However, this fact does not detract from the arbitrariness of the powers which the board is obliged to exercise under the law.

The senior senator from Ottawa, in explaining this bill, gave a historical survey, and I also wish to deal with a few historical incidents in relation to this whole business of wheat marketing.

The 1920's gave rise to the development of wheat pools in the Prairie provinces. A pool was established for each of the three provinces. The men who operated the pools were not highly experienced, but they were enthusiastic, and unquestionably of fine character and good intentions. At the end of 1929 and the beginning of 1930 the pools were in serious financial trouble. Their method of operation was to pay the farmer an initial advance on his grain when it was delivered to the pool. At the end of the crop year, when the grain had all been sold, the proceeds, less the initial advance and other necessary charges, were distributed among all the farmers who had consigned or sold wheat to the pool. Unfortunately, the operators of the pools failed to see the storm clouds gathering, and with the general economic crash at the end of 1929 they found that the value of the wheat they had on hand was not sufficient by a wide margin to cover the advances they had received from the banks to buy and handle it. The pools, therefore, went to the three provincial Governments of Manitoba, Saskatchewan and Alberta. The Governments could see the disorganization that

might result, and reluctantly guaranteed the repayment of the advances made to the respective pools by the banks. Of course, they wisely took all the security that the pools had. The only tangible security the pools then had was grain elevators, which they had built from 1923 onward, and which by this time reached very considerable numbers.

In 1930 a change in government at Ottawa occurred. Mr. Bennett—later Viscount Bennett—became Prime Minister and he had to deal with the situation. It should be borne in mind that the pools required millions of dollars of credit to handle their operating business. Their tangible assets were in hock to the provincial governments. So they came to the Prime Minister at Ottawa and asked him to have the federal Government guarantee their operating accounts at the banks. Mr. Bennett, recognizing the situation, reluctantly agreed to do so, but on one condition, namely that Mr. John I. McFarland, an experienced grain man whom he had known for many years in the province of Alberta, be put in charge of the pools' central selling agency and have sole charge of the operation of this agency.

In the parliamentary session of 1935 Mr. Bennett introduced the Canadian Wheat Board Bill. At that time, as everyone knew, a general election had to be held that year. I do not know what influenced Mr. Bennett to introduce the bill, which led to the Wheat Board Act which we have on the statutes to this day; but he did. The interesting point is that when the bill was introduced in Parliament it contained practically the same compulsory provisions that are in the present act. What happened? The Liberal Opposition, led by the late Mr. Mackenzie King, fought those provisions on second reading in the House of Commons. In addition, when the bill went to the agricultural committee for discussion clause by clause, so vigorous was the opposition to this interference with freedom that the Prime Minister finally agreed, in order to get the legislation passed, that the clauses containing the compulsory provisions would go into effect only upon proclamation; and he gave his word that the provisions would not be proclaimed until after the election. The opposition to this compulsion put upon a man in his own private business was, historically, on sound Liberal grounds. If any honourable senator wishes to become informed on this matter he may read the debates which took place at that time. Well, the Bennett Government was defeated; a Liberal Government, under Mr. Mackenzie King, came into office, and those compulsory provisions were never proclaimed. But a change had to be made in the Wheat Board. It is not pleasant to refer

to this, and I shall say no more about it than that I think the Government of the day was amply warranted and justified in making the changes that it made.

In the autumn of 1941 the Wartime Prices and Trade Board was set up. The purpose of the board, of course, was to control the whole economy of the country. Wages, salaries, prices, and so on, were frozen. Everything was thus affected but the price of wheat, and wheat was deliberately left out because it was recognized that for years, through crop failures and low prices, the wheat farmers had not shared in the general prosperity of the country. Prices of wheat were allowed to rise until September 1943, when by order in council under the War Measures Act the price of wheat was automatically brought under the control of the Wartime Prices and Trade Board, which operated the grain part of its business through the Wheat Board. That continued until 1946, when the Government, very unwisely, I think, negotiated what was known as the United Kingdom Wheat Agreement. That agreement was made, in the first instance, by virtue of powers under the War Measures Act, but in 1947 Parliament passed a statute validating the agreement, and in this statute were incorporated the compulsory powers which by the present amendment we extend for another five years.

The agreement, which was for four years, provided several things. One was that the United Kingdom during the two crop years from August 1, 1946 to August 1, 1948, would purchase each year 160 million bushels of wheat at the ceiling price of \$1.55 at Fort William. Another provision was that the price in the two succeeding years would be mutually adjusted. Some honourable senators may recall the famous have-regard-to clause in the agreement. That clause simply provided that if the price had been too low in the first two years of the agreement, the United Kingdom would have regard to that fact and take it into account in fixing the price for the succeeding two years. It was too low, and the price was fixed at \$2 a bushel for the second two years of the agreement.

Then in 1949 we had the International Wheat Agreement, which everyone applauded. Britain entered into that first International Wheat Agreement, although the United Kingdom Wheat Agreement overlapped it by a year. The interesting thing, honourable senators, is this: At the very time when we were selling wheat at the ceiling levels I have just mentioned, wheat was being sold from Canada by the Wheat Board outside the agreement at prices that reached on one occasion \$3.45 a bushel. There is no disputing that; these are matters of record.

From the beginning of that agreement until practically six years afterwards the price of wheat never dropped to the level of the British Wheat Agreement price, even that of the second two years. The result is clear. The farmers of western Canada put their wheat under that agreement. It may be argued that they wanted such an agreement. It may be argued that they were willing to hold out their hands and have them shackled by the federal Government. Even if they were, that is no reason why the federal Government should have incorporated these compulsory powers in the legislation.

Let me make myself clear. The federal Government was not the only party to the enactment of those compulsory powers. Every party in the House of Commons, including the party represented by the honourable Leader of the Opposition in this house (Hon. Mr. Haig), supported it. So there is no question of laying the blame on one party more than another.

I know there are honourable senators in this house who feel that we on the Prairies are a rather importuning lot, that we are always coming to Ottawa for favours. I wish to tell this house that it can be demonstrated, I think, beyond any question of doubt, that the western wheat farmers lost at least \$400 million and probably \$500 million by the operation of these agreements. Why should the western farmers have been singled out? The Ontario and Quebec farmers were wise enough to keep out of that net. People who sold copper, lumber, zinc, lead and everything else had their prices fixed by market operations. Anyone could see that after the war there was bound to be in the matter of food-stuffs a great vacuum to be filled, for the agriculture of Europe had been largely destroyed.

Now I submit it might have been a proper policy for Parliament in 1946 to have taken the position that Great Britain had suffered grievously during the war, that she was struggling back to her feet, and that Canada should help her by supplying her with wheat at a price below that obtaining on the open market. I would have held up both hands for such a policy. But the point is this: the burden of that policy should have been carried by all the people of Canada and not alone by the wheat farmers out on the Prairies.

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Crerar: No only that—and this I would ask my honourable friends from the rest of Canada to bear in mind—the wheat farmers on the Prairies did more than subsidize the British bread consumers; they subsidized the Canadian bread consumers as well.

Hon. Mr. Horner: That is right.

Hon. Mr. Crerar: Because everyone in Canada, whether he lived in British Columbia, the Maritime provinces, Quebec or Ontario bought his bread on the basis of the British Wheat Agreement prices. Had the market been open, or had the Government taken the stand that Canada as a whole instead of the Prairie farmers would make a contribution to Britain's need, the people of eastern and western Canada also would have been paying very much more for their bread than they paid during those years. That fact cannot be successfully challenged.

We still have the International Wheat Agreement with us. What is the value of this method of marketing? The annual report of the Canadian Wheat Board which was placed in our hands a few weeks ago stated that in the 1955-56 crop year—that was the year which began on August 1, 1955 and ended on July 31, 1956—the Canadian exports of wheat and flour through the mechanism of the board totalled 309 million bushels; but Canada's guaranteed quantity under the International Wheat Agreement during that year was only 153 million bushels. That was the amount of wheat which, through the operation of the agreement, Canada was entitled to export to importing countries which are parties to that agreement. What happened? May I read one paragraph from the board's report? It says:

Canada's guaranteed quantity for 1955-56 was 153,077,860 bushels. Total sales by Canada under the agreement—

Note this.

—amounted to 75,820,401 bushels, or slightly less than 50 per cent of this country's guaranteed quantity.

So out of total exports of 309 million bushels we sold 75 million bushels under the agreement, and the balance was sold outside of it. Well, honourable senators, it makes one question how much value an agreement of that kind has. I do know this, that it adds quite a heavy sum to the expense of marketing our wheat.

There is another aspect of this question that I wish to deal with—I trust I am not wearying honourable senators—and that is the United States story. After the war the United States adopted what was called parity prices. Even today one reads a good deal about parity prices in the United States, and we are not without advocates who claim we should have them in Canada under the same formula.

The parity formula was a simple one. The American statisticians in Government departments took the prices of things that farmers bought in the period from 1911 to 1915

and arrived at an index that was representative of the prices paid over those years. They did the same thing with the prices farmers received for the products they sold in that period. Now, when they arrived at these two price indices they had the parity or the relationship between those prices, and they applied it to current conditions in the United States. An index was made in, say, 1954 of the prices that farmers paid for the same range of goods then, and of the prices received for the same range of products and this was equated to match the parity secured from the comparison of the indices between 1911 and 1915.

That of course worked out tremendously to the advantage of the American farmer, because the prices of everything that he bought were going up month by month and year by year, while the prices of the commodities he sold tended to decline. Public opinion in the United States strongly supported the parity system, which was administered through the Commodity Credit Corporation in Washington. After several years of operation the Commodity Credit Corporation found that it had over \$8 billion—quite a lot of money, honourable senators—tied up in this fashion in commodities, and it was costing over \$1 million a day in charges to carry them.

Now, there is this interesting comparison: whether for good or ill the farmer in the United States was carried to this enormous extent—I think very ill advisedly—while in Canada the very reverse was the case. The United States Government did not take wheat from its farmers from 1946 to 1950 and sell it under any British Wheat Agreement or any other kind of agreement. It sold the wheat in the open market. That is what we should have been doing, even if we had gone to Britain's assistance by buying wheat and giving it to her at a price below the world market price. The burden then would have been distributed over all the people of Canada, as it should have been, and not placed on the back of the western wheat farmer alone.

What is the result in the United States? Finding itself with huge surpluses, the United States Government is endeavouring to devise means to reduce them, and in doing so is treading on our toes, make no mistake about it. But can we find fault with that? At the expense of the taxpayers of the United States it has got itself burdened with these enormous surpluses, and so it says to countries that need wheat or corn or any of the other commodities that are supported—and I think there are seven or eight of those altogether—“We will take your currency in exchange.” The United States may sell to India, for

example, and take rupees in exchange, but that currency cannot be paid to American farmers, so the rupees are used for development purposes in India. The American Government is doing the same thing all over the world. It sells for foreign currencies in many cases, but its give-away programs bolster some weak nations. This creates competition that is intensely difficult for Canada to meet, and there is a good deal of grumbling at the United States on that account. I cannot find it possible to criticize the United States. We are perfectly open to do the same thing, but it would be perhaps a very unwise thing to do. At any rate, the one unquestioned lesson that can be learned from all these experiences is the un wisdom of attempting by these means to get away from the normal laws that have governed commerce for thousands of years.

That brings me to another point: we are not making any headway so far in cleaning up this problem of a wheat surplus in Canada. The surplus, the carryover, of wheat at the 1st of August last in Canada was 540 million bushels. Either the Board of Grain Commissioners or the Wheat Board is the authority for this figure. Now, it is fairly well known what the last crop was—I mean there are pretty reliable estimates—and if you add the 1956 crop to this figure, making a liberal deduction for our domestic consumption and the amount of grain we have sold and shall sell at the same rate of export between now and the 31st of July, the prospect, on the present outlook, is that we shall wind up next July with probably at least 600 million bushels of surplus wheat, which will be substantially above the amount of the 1956 carryover.

The plain fact of the matter is that we are not solving this problem. It is difficult to know where the answer is to be found, but clearly the present method will not solve it unless there should occur a series of crop failures in western Canada or in the United States, the Argentine, Australia or other wheat-producing lands. Unquestionably a high price level has been maintained, and it may be granted the Wheat Board was a factor in maintaining it. But this price level has stimulated wheat production almost everywhere in the world. This is a natural consequence of high prices. Forty or fifty years ago France and Turkey were importers of wheat. At present, in a normal year France exports 80 to 90 million bushels: Turkey, Syria and North Africa likewise have surpluses to dispose of. One can grow wheat in almost every country; and as an important effect of high prices is to stimulate production, the answer to the problem will not be found

in that direction unless the normal laws of supply and demand are allowed to operate.

I hope that no honourable senators will get cold shivers at what I am about to say. We have applied the principle of support prices to several commodities—to butter, to eggs—I am not sure whether it applies to cheese or not, but certainly it does to hogs. This proceeding is based on the theory that it is not in the national interest that prices shall be allowed to fall below a certain level. The practice may be questioned; I am free to admit that I do not like it. It can be argued that it is wrong in principle: however, we have adopted it in respect of several products, and I suggest that it might be applied to wheat in western Canada; that the support price be placed at a point where a reasonably efficient farmer would be protected from loss but not protected in profit. That would mean a pretty low support price level. But the present situation will never be cured unless we get into complete regimentation, not only here but elsewhere.

In the United States within the past 18 months the so-called soil bank plan has been developed. What is a soil bank? Farmers all over the country are told, "Cut down your acreage of grains, put the land into grass, and for every acre so converted into grassland you will be paid a bonus." To this system the fancy name of "soil bank" was applied. The theory was that it would promote a build-up of soil fertility. But what happened? I am told that a great many farmers took out of production the poorest land they had, put it into grass, received the soil bank grants, and with the cash thus obtained bought fertilizer, applied it to their good land, and raised as large crops as ever. That, of course, was the perfectly natural thing to do.

My suggestion of support prices may not be workable, but this house, I suggest, might be less profitably employed than in appointing, at another session, a small committee of its members to inquire dispassionately into the whole question. I am as convinced as that I am talking to you now, that no answer has yet been found to the problem, and that if we continue as we are doing, and Providence is kind enough to favour us with reasonably good crops, we shall land further and further into the bog, and the federal treasury will inevitably be called upon, whether it responds or not.

Hon. Mr. Reid: It surely will.

Hon. Mr. Crerar: After the termination of the British Wheat Agreement it was felt that some help should be given to the Prairie farmer, and this house—though the honourable the senior senator from Ottawa and

myself, I recall, protested against it—voted a grant from the treasury of \$65 million to the farmers of western Canada. This sum was no more than a fraction of what they had lost. Last year Parliament passed another piece of legislation known by the fancy name of the Temporary Wheat Reserves Act. All it amounted to was the provision through the treasury of \$32 million for carrying charges on grain; and honourable senators need have no doubt that the treasury will be called upon to do the same this year.

Hon. Mr. Haig: And every year.

Hon. Mr. Crerar: My reason for putting forward the suggestion I have made is that it would be better to find some way of solving the whole problem upon a basis that can be clearly understood and that would give a reasonable measure of support to the producers who are affected.

Hon. Senators: Hear, hear.

Hon. W. M. Aseltine: Honourable senators, the subject of wheat marketing is one that strongly appeals to me, and I have listened with great interest to the speech of the honourable senator from Churchill (Hon. Mr. Crerar). With some of the things he has said I agree entirely; in some other respects I disagree with him.

As honourable senators know, I come from a great wheat-growing area in the province of Saskatchewan, one of the finest in the whole country. The soil is very heavy gumbo; in many places the top soil is 50 feet deep, and for that reason it is especially adapted to the growing of wheat. We have raised a great deal of grain in the last 10 years, and at the present time quantities which most people would say are huge remain on hand and unmarketed.

From what the honourable senator from Churchill has said I take it that he is going to vote against this measure.

Hon. Mr. Macdonald: He did not say that.

Hon. Mr. Aseltine: He did not say that, but I gathered he might. I will change my comment and say that he might vote against it.

Hon. Mr. Crerar: You are not far wrong.

Hon. Mr. Aseltine: Well, I am going to vote for this measure. One reason is that I would not dare go back to Saskatchewan if I did otherwise,—

Hon. Mr. Lambert: Hear, hear.

Hon. Mr. Aseltine:—because 99 per cent of the farmers in our area have explicit faith in the Wheat Board and want it continued.

I want to go back a little further in the history of wheat marketing than did the

honourable senators from Ottawa (Hon. Mr. Lambert) and Churchill (Hon. Mr. Crerar). According to the information I was able to secure, the first time a Canadian Government ever interfered in the marketing of wheat was in 1917. In that year the Government set up a Board of Grain Supervisors, and the whole object of doing so was to keep the price of wheat down.

Hon. Mr. Crerar: There is no doubt about that.

Hon. Mr. Aseltine: That board carried on its work for about a year or so.

Hon. Mr. Lambert: May I interrupt the honourable senator? The Board of Grain Supervisors was established for the purpose of handling grain within Canada to our seaboard and not beyond.

Hon. Mr. Aseltine: Well, it was my understanding that the object of the board was to keep the price of wheat down. In 1919 the first Canadian Wheat Board Act was passed and the Government set up a board to handle the 1918 and 1919 crops. The board took complete control of all wheat. The farmers in my area were very much against the board at first. It paid the farmer an initial payment when he took his grain to the elevator. Then he received what was known as a participation certificate. Everyone feared that these participation certificates would not be worth anything and some people used them to paper the walls of farm shacks and so on. But when the board wound up its work in 1920, to the surprise of everyone these certificates were worth a lot of money.

Hon. Mr. Hugessen: Did the farmers unpaper their walls?

Hon. Mr. Aseltine: Immediately the farmers demanded the continuance of the board, which was about to expire. There was great agitation throughout the whole of western Canada on this question. The Right Honourable Arthur Meighen, who was Prime Minister at the time, even went so far as to say that if he were re-elected in the elections of 1921 he would establish a voluntary wheat board. Mr. Motherwell, who later became federal Minister of Agriculture, conducted his own election campaign in the city of Regina on the slogan "Vote for Motherwell and the establishment of a wheat board." He was elected by a big majority. Regardless of how sincere he may have been, however, he was never able to bring about establishment of the wheat board which he had promised. Agitation for establishment of a wheat board spread, and the farmers brought in a co-operative expert from California by the name of Sapiro. He made many speeches throughout the Prairie provinces, and as a result the

farmers set up their own organizations. The farmers of Saskatchewan organized the Saskatchewan Co-operative Wheat Producers Limited, and I presume the farmers in Alberta and Manitoba established similar organizations. Every farmer was asked to join one of these associations, which were commonly called wheat pools. About 50 or 60 per cent of the farmers did join, and I was one of them. Things went along well from about 1924 to 1928 or 1929. The initial payment was good, and the participation certificates brought in a lot of money when the final settlement was made for each year.

I would like to illustrate the success of these wheat pools by recounting a little story. Probably I have related it before in this house, but some honourable members may not have heard it. A Prairie farmer went to his doctor one day to find out what was ailing him. He told the doctor he thought there was something wrong with his head for every time he held onto his wheat the price went down and whenever he sold his wheat the price went up. The doctor said: "Now, John, there is something wrong with your brains. If you leave them with me for a few days I'll look them over. Come back in a week or so and I'll tell you what your trouble is."

However, John never came back. Then one day the doctor met him on the street, and said: "I examined your brains and now I know what's wrong with them. Why didn't you come back for them?" John replied, "Oh, I don't need them any more, Doctor; I have joined a wheat pool." The farmer meant of course that he no longer had to think about selling his wheat, that everything was arranged for him and he was content to accept the average price paid to the farmers.

The honourable senator from Churchill explained to the house what happened in the latter part of 1929 and the early part of 1930. I do not want to go into that at all. He told us all about John McFarland taking over as chairman of the Wheat Board, and I think he was accurate in his account of what happened in 1935 when the Bennett Government tried to bring in a compulsory wheat pool. At that time a compromise was reached by bringing in a voluntary pool.

Hon. Mr. Crerar: A voluntary board.

Hon. Mr. Aseltine: After 1935 a farmer could sell to the board if he wanted to or he could sell on the open market. That state of affairs continued until about 1943.

I am not clear about something the honourable senator said when he was discussing the British Wheat Agreement. He led me to believe that this agreement was the work of the Canadian Wheat Board. I want to

say that the Canadian Wheat Board had nothing whatever to do with Canada entering into that agreement. As a matter of fact, I understand the board was against it.

Hon. Mr. Crerar: If I left that impression it was a wholly erroneous one. The idea of the United Kingdom Wheat Agreement of 1946 certainly did not originate with the Canadian Wheat Board.

Hon. Mr. Aseltine: Thank you very much. I wanted to get that clear. That was entirely the work of the federal Government, which, I admit, acted on the advice of the pools in the western provinces.

Hon. Mr. Beaubien: That is right.

Hon. Mr. Aseltine: I want to be fair about the whole matter. The Wheat Board cannot be blamed for that agreement, nor can it be blamed for Canada entering into the International Wheat Agreement. The board had nothing to do with it either. It was ratified by this house and the House of Commons, just as the British Wheat Agreement was.

The honourable senator from Churchill stated that from 1943 on every person growing wheat was obliged to deliver it to the Wheat Board. The purpose of that law was to hold the price down, not to hold it up; and it did hold the price down, as the honourable senator has just said. In other words, the object of the wheat board legislation of 1935 was to boost the price if possible, whereas in 1943 when the powers of the Wheat Board were made absolute the object was to keep the price down. The object of the bill we are now dealing with is to keep the price up. I only mention these facts because I do not like to see the Wheat Board blamed for things that it is not responsible for. The board has a very difficult problem in the marketing of grain, and personally I think it is doing a good job, and that at the present time the continuation of its powers is needed more than ever before.

The western farmers have a lot of wheat piled up but they believe it will gradually disappear if we have orderly marketing. I have had grain piled up on my farms in the past—for instance, in 1930 and 1940—and many other farmers also had a good deal on hand, but it all disappeared within a short time. I am quite satisfied that the present surplus will also disappear. We cannot expect to get bumper crops year after year. This winter has been a mild one, and drought is creeping up from the south. Next year we may have a poor crop. I am quite happy to have a lot of wheat in my bins, for I think it will disappear gradually. I think the Wheat Board provides a solution to the problem.

If I have any objection at all to what the Wheat Board is doing it is with regard to the administration of estates of deceased persons. If a farmer dies, leaving several thousand bushels of wheat on hand, it is absolutely impossible to wind up his estate promptly because his executors cannot get a special permit from the Wheat Board to sell the grain, except very gradually. In some cases we have had to wait three, four or five years before winding up such estates. I would like to see the Wheat Board do something constructive along this line. However, in general I think the board is doing a good job. The people in western Canada want it to continue, and I am sure that if it is left alone without too much government interference everything will be all right.

Honourable senators, I was led to believe, from the opening remarks of the honourable member for Churchill that this is just another case of the farmers of western Canada coming to Parliament for more money. That is not so. May I read from what was said in the other house on February 7, as reported in the House of Commons *Hansard* of that date, at page 1056:

The farmer pays the marketing charges; he pays for country storage and terminal storage; he pays the cost of the Wheat Board's operations and also the interest charged by the banks for the money used. In addition the farmers pay, out of the proceeds of their sales, for the grading of that wheat, for drying charges, and for all administrative costs.

That is true. It has cost the Government of Canada nothing to run the Wheat Board since 1939, except for storage in one instance, which was mentioned by the honourable senator from Churchill, and also the item of \$65 million, which was paid to help reimburse the farmers for part of their losses under the British Wheat Agreement.

Honourable senators, for these reasons I will vote for this bill, and I call on all honourable senators to do the same. In the other house the vote was unanimous, and I hope it will be unanimous here.

Some Hon. Senators: Hear, hear.

Hon. John T. Haig: Honourable members, first, I want to correct a word or two used by the honourable member from Churchill (Hon. Mr. Crerar). I did not vote for the British Wheat Agreement; I spoke against it every time I got the chance. When we dealt with it here in this house I told him we were incurring losses, for we were selling below the market, and that we would hear nothing more about that "have-regard-to" section which was relied on by many people. The words I used became true.

Hon. Mr. Crerar: I quite agree that what my honourable friend states is correct, but I still maintain that in general all political parties supported the agreement.

Hon. Mr. Haig: No.

Hon. Mr. Crerar: With exceptions here and there.

Hon. Mr. Haig: Oh, no. In the hustings and on the election platforms all over this country Liberal party speakers said that the Conservatives were opposed to the Wheat Board. I admired the speech of my honourable friend from Rosetown (Hon. Mr. Aseltine), but he did not tell you how much wheat had been called up from the farmers this year. The western farmers have had three or four calls this year, and the total call has been four bushels to the cultivated acre. If a farmer owned 250 acres of land and had 200 acres under cultivation he would have had 800 bushels called up and that is all. His crop might have been 25 bushels to the acre, and on that basis 200 acres would produce 5,000 bushels.

Hon. Mr. Aseltine: I referred to the total acreage.

Hon. Mr. Haig: I know the law on the matter quite clearly. If you have a farm of 250 acres, and 200 acres are under cultivation, when they call up a bushel per acre you have the right to put up 200 bushels, and that is all.

Hon. Mr. Stambaugh: And you get the first unit as well.

Hon. Mr. Horner: One bushel.

Hon. Mr. Haig: One bushel, that is all you get. This year the farmers in my province of Manitoba have sold four bushels per acre. They cannot farm on that basis. It is all right for a gentleman farmer like the honourable senator from Rosetown, who happens to be a very wealthy man and can afford to have his grain stuffed in the elevators from 1951 to date; he does not need the money.

Hon. Mr. Aseltine: You do not need to say that.

Hon. Mr. Haig: I happen to represent in my province a lot of people who are hard up and cannot afford to take four bushels per acre and pay their debts and expenses.

The problem with wheat growing is that when a war is on a great deal of the world's farming land is taken out of grain production. When the war is over most of the land is put back into production and the supply of wheat soon exceeds the demand.

I remember well the fiasco of 1929. I was a member of the Manitoba Legislature at the time. We had to guarantee the bonds

of the Manitoba pool to about \$3,500,000. Why did they lose money? Because the farmers refused to sell their grain at the current market price. They said they would make the people of the world pay for it. We in the Legislature told the farmers they could not do it. They replied, "We have the grain, and they will have to buy it."

Let me give an illustration. A man in Saskatchewan, just over the line from Dauphin, bought a piece of land on the crop payment basis. He sent to me as the collector 2,500 bushels of wheat, which I sold right away at the current market price of about \$1.25 a bushel. He wrote me a bitter letter in which he said "You are like all the other lawyers, you steal what we poor farmers make." I wrote and told him that our agreement provided that as soon as I received the wheat I was to sell it and apply so much against the interest and the balance on the principal, which I did. That happened in November. By the following April the price had dropped to about 80 cents a bushel, and he still held two-thirds of his crop. He wrote me, telling me he could get only 80 cents for his wheat, and asked me if I could still get \$1.25 for it. I told him that I certainly could not. In the next five years that farmer wrote me about the same time every fall: "Is it the right time to sell my wheat? Please let me know."

Honourable senators, it is impossible to sell grain on a controlled market unless you control the world supply. It cannot be done. The most successful man who ever tried to control the wheat market was Leiter. He was one of the biggest buyers ever known on the Chicago market, but eventually he lost everything because he was unable to control the world supply.

My honourable friend from Rosetown has said that we will have to have a crop failure in order to pull us out of this situation. Is that the only solution? Surely it is not.

About four years ago, when I was riding on the train to Winnipeg, I met a clergyman from Regina. He asked me if I was a member of Parliament, and I told him that I happened to be a senator. He then asked me, "What about the grain business?" I said "What do you want to know?" He said the fellows in Regina had told him that they were going to make the British Government pay the price the farmers wanted for their wheat. He added that he had never heard of that being done, and I told him, "You won't hear of it being done in this case either." The British Government offered \$2 a bushel, and then dropped out.

My honourable friend from Rosetown says the Government is responsible. I think it is responsible, but I also think the system is at

fault. My honourable friend complains that Parliament did not put up much money. Let me remind him that we put up \$32 million last year to help the Wheat Board, and we will be asked to put up a similar amount this year to help pay the storage costs on surplus grain.

What I, and others who think as I do, object to is that we do not see any prospect of selling our surplus grain on the world market at the present time. The United States is unable to sell its surplus. What does it do? Just recently it sold something like 400 million bushels to India, for which it accepted rupees in payment, and then turned around and lent the rupees to India to build roads and bridges. Well, the United States did not fool anybody by that procedure. It simply gave the grain to India. The latest report we hear in Winnipeg, which is a grain city, is that the United States intends to continue in that policy to get rid of its surplus.

If we have a war we may get rid of our grain; similarly, if we have a crop failure we will get rid of some of it. But those are disastrous events to have to look forward to for a solution of our problem.

My honourable friend from Rosetown said that the farmers got an initial payment of \$1.40 a bushel, out of which was taken 20 cents a bushel for transportation, leaving a net of \$1.20 for No. 2 wheat at the elevator. It was pointed out that that was more than twice what the farmer received when he got only 50 cents a bushel. Let me say that 60 cents in 1935 would buy as much as \$1.20 buys today. If the cost of living index were calculated on the original basis that the period 1935-39 equalled 100, it would today stand at 193.4. That is an increase of almost 100 per cent. These are problems that our present marketing system cannot overcome.

I have great admiration for my honourable friend from Churchill (Hon. Mr. Crerar), but I fail to see how any member of the Liberal party can stand up and support the compulsory features of this legislation. When I was at school and later as a young man I was always told that the Liberal party was composed of free traders, free this and free that. Since I have come to Ottawa I have found them to be leading the parade in promoting compulsory legislation with respect to one of the main commodities of our country. There is no use in trying to fool ourselves, honourable senators: to Manitoba, Saskatchewan and Alberta grain means more than all the rest of the products of that part of Canada put together. The successful production and marketing of our grain means prosperity for not only the three Prairie provinces, but for the rest of Canada as well.

The present system makes the life of the farmer very discouraging. For instance, there came to my office in October a man on whose farm I make the collections. When I asked him how he was getting along, he told me he had received only two payments for wheat at one bushel per acre. So from his 200 acres he had received total payments of about \$480. Out of this, he told me, he had paid his bills for groceries, gasoline and garage service, and there was nothing left to pay interest, principal or taxes. He went on to say that he would not be able to buy clothes this winter for his children; that his wife had not had a new coat for five years and would not be getting one this year. This was the situation in which he found himself, despite the fact that he had a good crop: he grew as much as 30 bushels to the acre, but he could get no money for it. These are facts, honourable senators, not imagination. We frequently see in our office poorly dressed men and women who we know own half sections of beautiful land and granaries full of grain. Some of them have suggested that I come and get their grain to pay fees owing to me. But what good would the grain be to me? Nobody can sell it. I believe things are getting worse instead of better.

My friend the senior senator from Ottawa (Hon. Mr. Lambert) said that more than 800 million bushels of grain are now in storage in the central and local elevators and on the farms. Our sales last year amounted to about 315 million bushels, so we now have on hand practically as much as we sell in three years. I certainly do not know where we could go to sell this wheat. For instance, during the past three or four years Sweden has got into the world market on hard wheat. France has soft wheat for sale, and if a buyer has American currency and needs food badly he is going to buy French wheat. It is a most discouraging situation.

If we took the world market prices each year for the past ten years and added them up, we would find that on the average our farmers would have been better off under that system. That is what we learn by looking back over the past ten years.

Honourable senators, I do not intend to delay the house much longer. But this is a problem very close to the people of Manitoba. Our crop is harvested ten days earlier than that of Saskatchewan, and we are 400 miles nearer the seaboard; yet we do not gain anything by reason of our geographic location. Perhaps we should have no advantage by reason of it. But, as honourable senators know, from a seaboard standpoint it is more profitable to do business in Montreal than in Toronto. We did at one time benefit by our geographic advantage, but today it has gone.

Be that as it may, the question remains, how are we ever going to sell our surplus wheat under our present marketing system, when we have at least three years supply on hand? I know of no solution.

No one can deny that the Americans are shrewd businessmen. But they have adopted the policy of giving their wheat away to get rid of it, and we are faced with that kind of competition in the world markets. What possible solution is there for it? When I return home in April the farmers in my province will ask me what happened to the Wheat Board bill. I shall have to tell them that the Senate voted to extend the board's powers for another five years. When they ask me what is the solution for the marketing tie-up, I shall have to tell them I have none. I hope that in the intervening five years—that is a long time and some of us may not be here five years from now—I hope that in that period some of our members will study this problem and convince the people of Canada that we in this chamber believe the problem cannot be solved by our present method, but that grain has to be sold as other commodities are, on the world market, at the world price.

Hon. R. B. Horner: Honourable senators, I have just a few remarks to make. First of all, I want to say that I was somewhat alarmed at the statement by the honourable senator from Churchill (Hon. Mr. Crerar) that all political parties supported the British Wheat Agreement. I remember distinctly that was not the case. The party that I have the honour to support certainly opposed it, and I opposed it here.

Hon. Mr. Crerar: Will the honourable member permit an interruption? If I gave that impression it was not what I wanted to convey. What I did wish to convey was this, that all parties supported the incorporation of the compulsory features in the Wheat Board legislation.

Hon. Mr. Horner: That is right, and I am supporting the compulsory feature. Because of the circumstances and the vast territory of the west, farmers find it impossible to organize by themselves. Wheat growing is practically a new industry for many farmers in western Canada. It would be the ideal situation if the farmers were able to organize themselves and store every bushel of their own grain at home on their farms. Then if any snooper came around looking in a farmer's storage bins trying to estimate their contents, in order to shout the information from the housetops, the farmer would have a perfect right to order him off his land and refuse to divulge any information whatever. It also would be ideal if all farmers could agree to sell at similar prices, as is done by

industry. Who ever heard of one implement company selling a combine for \$2,000 or \$3,000 and other companies selling the same machine for \$6,000? No, they all sell at the same price. The farmers however, are not in that fortunate position at present.

I would like to ask a question. If the present control over the marketing of wheat is a good thing, why is there not a similar control over the sale of rye and flaxseed? I may tell the honourable senator from New Westminster (Hon. Mr. Reid) that rye mixed with other grain forms a good feed, and rye can be purchased outside the Wheat Board. The same is true of flaxseed. A small quantity of flaxseed mixed with other grain is better than the same quantity of flaxseed alone. You pay good money for oilcake, which is made from flaxseed.

I would like to tell a story which points up the strict honesty of a farmer I had to do business with, a Doukhobor by the name of John Pereversoff. In 1929 I sold him a section of land, he to pay off a balance by giving me a share of his wheat crop. At that time the price of wheat was dropping. I was then a strong supporter of the pool, and I asked him that fall to deliver my share of his crop of wheat to the pool elevator, as I wanted to sell it to the pool. At that particular time wheat was selling for \$1.25 a bushel or better, and I sold mine at that price, or thereabouts. John, however, delayed selling his wheat and when he did sell he only received 64 cents a bushel for it. In talking to him later I said, "John, look here, I feel that I should make an adjustment with you and give you an allowance from the higher price I got for my wheat." "Oh, no, Mr. Horner," he said, "I too could have sold my wheat last fall at \$1.30 but instead I held it and only got 64 cents for it, but you don't need to mind." Now, I always felt so grateful for that. He might have said, yes, certainly, I am entitled to a credit for \$1.30 a bushel or whatever the price was in the fall; but no, he did not ask me that. That just serves to illustrate the unfortunate position that farmers are placed in when attempting to guess the proper time to sell wheat under the open market system.

Honourable senators, as I have said before, it is strange how quickly these apparent surpluses of wheat can disappear. Perhaps in all the history of Prairie farming there has never been such a period of continuous and sufficient rainfall as there was in a great part of that whole area during the past seven years, and that is the reason we find ourselves in our present position. Now, we might very well be facing seven years of a light crop, as Egypt did according to the Biblical story, when seven fat years were

followed by seven lean years. It is a most remarkable fact that in western Canada we have had seven years of large crops, but I can well remember the time when the crop was so meagre that in order to get even a bit of wheat or oats you would have to go miles. I agree with the honourable senator from Rosetown that the present surplus is nothing to be alarmed at, and I think it might very well turn out to be the most valuable asset that Canada possesses.

Hon. J. Wesley Stambaugh: Honourable senators,—

Hon. Mr. Macdonald: Honourable senators, I am not suggesting that the honourable senator should not speak, but there is a rule, as we all know, that a senator can speak only once on second reading. I did not interrupt the honourable senator from Blaine Lake (Hon. Mr. Horner) when he spoke and I am not suggesting that the honourable senator from Bruce (Hon. Mr. Stambaugh) should not be allowed to speak, but I do feel that I should bring the rule to the attention of the house.

Hon. Mr. Stambaugh: Honourable senators, I did not speak before on this motion; I simply made a remark while another senator was speaking.

Hon. Mr. Lambert: You asked a question.

Hon. Mr. Macdonald: I am not suggesting that the honourable senator should not speak, but I think that for future occasions we should remember the rule. As reported in *Hansard*, the honourable senator began to speak at page 203 and the record of his remarks continues on the first column of 204, with a few interruptions.

Hon. Mr. Stambaugh: I do not think the rule applies to a remark made by me while someone else is speaking. Have I the consent of the Senate to speak now?

Hon. Mr. Macdonald: I made it perfectly clear that I was not rising to prevent the honourable senator from addressing us, but to remind the house of the rule.

Hon. Mr. Pouliot: I move that the honourable senator may speak.

Hon. Mr. Macdonald: And I would second the motion.

Hon. Mr. Haig: The honourable senator must have the unanimous consent of the house to speak. A member who has already taken part in a debate may not speak again without unanimous consent.

Hon. Mr. Stambaugh: I have not spoken in this debate.

Hon. Mr. Haig: Yes, you did. I myself heard you speak.

Hon. Mr. Stambaugh: You have spoken three or four times.

Hon. Mr. Haig: That is not so.

The Hon. the Acting Speaker: There is a motion before the house.

Hon. Mr. Haig: I take objection to it. It is out of order.

Hon. Mr. Macdonald: Can we agree that, the honourable senator from Blaine Lake (Hon. Mr. Horner) having spoken twice, the honourable senator from Bruce (Hon. Mr. Stambaugh) shall be permitted to speak at this time?

Hon. Mr. Haig: I do not object at all to his speaking, but it should be understood that before any honourable senator speaks a second time he shall have the unanimous consent of the house.

Hon. Senators: Agreed.

The Hon. the Acting Speaker: I do not think all this discussion is in order. I hope that in future we shall follow the rules.

Hon. Mr. Stambaugh: May I point out that when I rose before I did so to call to the attention of the honourable Leader of the Opposition (Hon. Mr. Haig) that he had made a mistake. He said he had not. What he said was that all a farmer could sell was the amount of his one-bushel or two-bushel quota. I then pointed out that there is a unit allowance above the quota. This he denied; but the fact is that every farmer in western Canada where the quota is in operation has a unit. It is true that, to farmers in the position of the honourable senator from Rosetown, who has 40,000 or 50,000 bushels to dispose of, the unit amounts to very little, but it means something more to the average farmer in the district where I live. It amounts to 300 bushels of wheat, and I repeat that it has no connection with the quota, it is known as a unit. It includes 500 bushels of barley, 80 bushels of oats, 500 bushels of rye, which the farmer is permitted to sell, and over and above that is the amount of one, two, three bushels, or whatever it is, on the cultivated acreage. A producer with no more than 50 or 60 acres, perhaps less, under cultivation, is in the same position in this respect as the man who farms a thousand acres: he has that unit to start with.

The honourable senator from Rosetown (Hon. Mr. Aseltine) stated that upon the death of a farmer, his heirs could not sell more than the quota. That is not correct. Admittedly what can be disposed of means little to the farmer with 40,000 or 50,000 bushels, but a year or so ago I was an executor of

an estate whose assets included 2,000 bushels over and above the man's quota, and upon application to the wheat board we got permission to sell the whole amount. So the system works out fairly well for the small farmer.

Hon. Sydney J. Smith: Honourable senators, I have not spoken in this debate, nor had I intended to do so until I felt that the point so well made the other day by the honourable senator from New Westminster (Hon. Mr. Reid) had been more or less lost in the maze of discussion which has taken place since. I am not in disagreement with the purpose of the bill, nor with most of the views presented in the discussion, and I support the principle of orderly marketing. I have been interested in the production and marketing of grain since 1909, when I homesteaded in Saskatchewan; and I still have a farm with many bins bulging with grain, some of which has been stored there for five years, so I know something about the problem of marketing. On the Prairies the Provider of all good things has made it possible for the farmer to raise grain in abundance. Across the border between British Columbia and Alberta we are favoured with conditions which produce the finest bunch grass in the world, and the land supports a tremendous beef industry, but we do not produce the grain for finishing. In this connection I should like to refer to the example quoted by the honourable senator from Churchill (Hon. Mr. Crerar) of the two farmers living within half a mile of the boundary between Manitoba and Saskatchewan and being unable to transact a sale and purchase of seed grain except through the Wheat Board. The problem we face is similar, in that our beef producers who are interested in procuring feed grain are unable to obtain it from the prairie provinces except through the board. As a result, this winter trainloads of feeder cattle have been shipped, for finishing, from the interior of British Columbia to points in Alberta, but this has been done by large outfits, financially able to carry out that kind of project. I have been getting letters in every mail—I received three this afternoon—from beef producers protesting against having to sell their beef in the condition it is when their stock of feed is exhausted. In one case the man had used up two carloads of grain which cost him \$56.25 a ton, and when it was gone the cattle had to be sold at 17 cents a pound. Surely there is a way for the Government to arrange for the sale of that grain from a farmer or farm organization in Alberta or Saskatchewan to a beef farmer or a co-operative or other organization in British Columbia that wants it for feed. The difficulty is that the regulations do not permit this transaction because the grain must cross a provincial border.

As a supporter of orderly marketing of grain I intend to support this bill. But the smaller ranchers out in our country feel there is something unreasonable in a situation whereby some rancher who is financially able to ship his cattle into Lethbridge or Medicine Hat can finish them off on grain for which he pays \$16 to \$20 a ton, and put them on the market in competition with those who have to import feed grain at a cost of \$55 or \$60 a ton. I want to turn the spotlight on that situation, because I know that the grain farmer who is interested only in the marketing of his crop does not appreciate the problem which is faced by his brother agriculturist who produces beef instead of grain. I hope that some solution will be worked out, for where there is a will there is a way. Surely those who can do something about it will take action if they realize how serious this matter is.

Here is another point that may interest honourable members. A few weeks ago I enjoyed a delicious steak dinner in a famous Vancouver steakhouse which is known to almost every person who has visited that city. The proprietor came to our table afterwards and when I asked him where he got his meat from he replied, "I get it from Texas. It is shipped up here in refrigerator cars."

I am not going to enlarge upon this situation, but it is sufficient to say there is a market for surplus feed grain in British Columbia. This market could be promoted and built up if the boundary line regulations prohibiting grain transactions between provinces could be overcome.

Hon. Senators: Hear, hear.

Hon. Norman P. Lambert: Honourable senators,—

The Hon. the Acting Speaker: Honourable senators, I would remind the house that if the honourable senator from Ottawa (Hon. Mr. Lambert) speaks now he will close the debate.

Hon. Mr. Lambert: Honourable senators, I do not intend to detain the house at any length. As the sponsor of this bill I certainly welcome the discussion that has taken place, and I think the specific problems that have been raised, such as the ones just referred to by the honourable gentleman from Kamloops (Hon. Mr. Smith), indicate that many worthwhile questions will be asked of officials in committee.

With respect to the liberty and freedom of movement amongst farmers, I do not think there is any doubt that a farmer living in, say, Manitoba can buy or deliver grain to another farmer without any permit at all or without any resort to the Wheat Board.

Hon. Mr. Hugessen: If they live within the same province.

Hon. Mr. Lambert: I am also under the impression that a farmer living in Alberta, for instance, can deal in the same way with a farmer living in, say, British Columbia.

Hon. Mr. Reid: They cannot do so.

Hon. Mr. Lambert: That is the information I have.

Hon. Mr. Reid: It is a closed corporation.

Hon. Mr. Lambert: Well, this can be clarified in committee. What I really wanted to say at this time is that this whole subject, as I tried to suggest in the beginning, reaches back a long way, and any discussion of this legislation or of any phase of the Wheat Board legislation is bound to give rise to a good deal of historical references, the good men who have been forgotten, and such things as the British Wheat Agreement and the \$65 million award. It is said that historians have a weakness for rubbing their hands over the past and wringing them somewhat over the future, but at the same time washing them of the mighty present.

Some Hon. Senators: Oh, oh.

Hon. Mr. Lambert: I submit that this legislation amending the Wheat Board Act represents a realistic bit of the mighty present, which has evolved through the last twenty-five years to its present state, influenced by events over which no government has had very much control. The international situation, the result of two world wars, the disruption of exchanges and trade, which have resulted in entirely new connections for Canada's trade in grain and other commodities, together with the incalculable impact of Providence in showering the western provinces with unprecedented harvests of grain, have all created problems which I submit no ordinary process of marketing can remedy.

We like to think back sometimes. I remember the pleasure I used to get from sending cablegrams at night giving quotations on shipments of grain or flour within a fraction of a cent of the price that would be acceptable the next morning. The day when that could be done has gone, because of the economic and financial disturbances that resulted from two world wars. As everyone knows, in particular the economic upheaval of the twenties and thirties, which marked the period between the two wars, was clearly as devastating as any war.

I do not intend to review the various steps that have established this Wheat Board method of marketing as virtually the only practical device for bringing some kind of

order out of chaotic conditions. I submit that that is the main purpose of this amendment, which would continue certain powers of the board for another five years. I do not think anyone could claim to be able to see far enough into the future to suggest that the present situation will not continue for five years.

For these reasons, I would move the second reading of this bill.

Some Hon. Senators: Hear, hear.

The Hon. the Acting Speaker: Honourable senators, the question is on the motion of the Honourable Senator Lambert, seconded by the Honourable Senator Hodges, for second reading of Bill 9, intituled an Act to amend the Canadian Wheat Board Act. Is it your pleasure to adopt the motion?

Some Hon. Senators: Carried.

Hon. Mr. Haig: On division.

Hon. Mr. Roebuck: On division.

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

REFERRED TO COMMITTEE

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

DIVORCE AND ANNULMENT BILLS

SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill W-5, an Act for the relief of Florence Helen Leslie Redston.

Bill X-5, an Act for the relief of Jeannine Thauvoye Pastuszko.

Bill Y-5, an Act for the relief of Ellen Catherine Norma Hogan Liddell.

Bill Z-5, an Act for the relief of Abrasha Brainin.

Bill A-6, an Act for the relief of George Henry Eaton.

Bill B-6, an Act for the relief of John Bernard Finucane.

Bill C-6, an Act for the relief of Anne Marie Marguerite Victoria Melchers Harwood.

Bill D-6, an Act for the relief of Estelle Frances Demaio Parr.

Bill E-6, an Act for the relief of Helmut Josef Wagner.

Bill F-6, an Act for the relief of Therese Filion Robert.

Bill G-6, an Act for the relief of Elizabeth Mary Gnaedinger Johnson.

Bill H-6, an Act for the relief of Peggy Mary Trim Bodaly.

Bill I-6, an Act for the relief of Arthur John Chatham.

Bill J-6, an Act for the relief of Margaret Louise Martin Bowden.

Bill K-6, an Act for the relief of Margaret Joan Carol McCurley Decaire.

Bill L-6, an Act for the relief of Jean-Paul Audette. (Annulment).

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 21, 1957

The Senate met at 3 p.m., the Hon. Nancy Hodges, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 181 to 193, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

CANADIAN WHEAT BOARD BILL

REPORT OF COMMITTEE

Hon. Thomas Vien, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the Committee on Bill 9. The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (9) intituled: "An Act to amend the Canadian Wheat Board Act", have in obedience to the order of reference of February 20, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

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

Hon. Mr. Vien: Next sitting.

INTERNAL ECONOMY

COMMITTEE MEETING

Hon. Mr. Pouliot: Honourable senators, may I ask the leader when the next sitting of the Internal Economy Committee will take place?

Hon. Mr. Macdonald: A date has not been definitely fixed for the next sitting, but I expect it will be held in the near future.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

The motion was agreed to.

CANADA COUNCIL BILL

MOTION FOR SECOND READING— DEBATE ADJOURNED

Hon. W. Ross Macdonald moved the second reading of Bill 47, an Act for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences.

He said: Honourable senators, as its title states, this is a bill to establish a Canada Council for the encouragement of the arts, humanities and social sciences. I do not think the bill will provoke any measure of surprise among honourable senators, for the Canada Council has been discussed by thoughtful people throughout Canada for a number of years and has already been the subject of numerous articles in the press and in magazines. Its formation has been urged by many organizations which are devoted to the objects which will also be the objects of the council, and indeed, its establishment was one of the recommendations made by the Massey Commission in its report of 1951.

Now that there has been ample occasion for full consideration and discussion through public media and by private groups, and since it is clearly the wish of most thoughtful people, it is the opinion of the Government, that it would now be timely to establish the council. The bill implements the Government's decision in that respect.

The arts, humanities and social sciences with which this bill is concerned have been a vital part of Canadian life since the development of this country began. Indeed, they must be a vital part of the life of any country which wishes to hold up its head in the community of nations. I think it speaks well of Canada and of our people that while we have wrested our wealth and national heritage from the land to which our forefathers came, we still have found occasion, through our universities and through voluntary organizations operating across the country, not only to keep alive but to cherish and develop our spiritual growth as it is expressed in the arts, humanities and social sciences.

Honourable senators will therefore appreciate that the purpose of this bill is not to create in Canada some new or strange or hitherto unexplored field of human endeavour. It is designed to give some measure of effective encouragement to things which the Canadian people have already shown through successive generations that they believe to be of lasting value. This belief has been expressed by the foundation and development of our universities and by the work of voluntary organizations at the national, provincial and local levels. But, as we know, these organizations have worked sometimes under the greatest difficulties and have been sustained, I can safely say, only by the devotion of their members. I believe the time has come for the Government to provide some assistance to these organizations in order that in a rapidly expanding country they can effectively continue this work which, I repeat, has been going on for so long.

Therefore, as I have already said, there is nothing essentially novel in the bill before us. What is new is its provision for a carefully thought-out means whereby a small part of our national wealth may be effectively channeled to stimulate the arts, humanities and social sciences in Canada.

The stature of our country is such that we can no longer depend in this field upon contributions from private persons, nor from private foundations, many of which are established in other countries. The time has come when we must be prepared to help ourselves. Although the method of support envisaged in this bill is new to Canada, I may perhaps be permitted to remind honourable senators that many of the countries from which our people have come have already taken steps to support the arts, humanities and social sciences. I might mention a few of these countries: the United Kingdom, France, Italy, and Germany. After they became national entities many centuries passed before they took steps to provide the kind of support which they realized could no longer be left to the great patrons of the arts. Therefore, I think we may take some pride in the fact that less than a century after Confederation we come to consider a measure of this kind.

Will honourable senators permit me to survey briefly the purposes of the bill, and the methods therein set forth to implement them? Clauses 3 to 7 provide for the creation of a Canada Council, which will consist of 21 members to be drawn from those many Canadians who have already contributed with distinction to the development of our country or who stand in the forefront of the work that has already been done to maintain the arts, humanities and social sciences in Canada. May I add that I have no doubt that in choosing these persons due care will be taken to ensure that they represent as far as possible the different regions and the major cultures of the country.

Clause 8 sets out the objects and powers of the council.

The council will be required to administer two funds for the encouragement of the arts, humanities and social sciences. Perhaps honourable senators will refer to clauses 14 and 16. The first fund, as described in clause 14, is an endowment fund of \$50 million, the interest on which—I emphasize the word “interest”—is to be devoted in part to the provision of scholarships, awards and loans in these fields. Since, as I have emphasized, these things have already existed for a long time in Canada, the purpose of this fund will be to assist existing voluntary organizations in universities in the same

way that assistance has been given by the federal Government to stimulate our economic development. In addition, this fund will also be devoted to providing opportunities for Canadian scholars to study abroad and for foreign scholars to come to Canada. Clause 8 (1) (e) of the bill provides that the council will act as a centre for the exchange of information between organizations both in and outside Canada and will be required to see that the Canadian arts, humanities and social sciences are represented, as appropriate, in other countries. By clause 8 (2), the council will have certain duties and functions with relation to the United Nations Educational, Scientific and Cultural Organization, the exact nature of which will be determined later.

It is, of course, essential that in our universities the humanities and social sciences must have the facilities which they need both for present enrolment and for the anticipated demands to be made upon them within less than a decade. Provision is made in the bill accordingly for a second fund of \$50 million, to be called the University Capital Grants Fund. In this respect I would refer honourable senators to clause 17. The capital of this fund—and in this respect I emphasize the word “capital”, as I did the word “interest” in the endowment fund—is to be used under certain conditions for the construction of much needed buildings at Canadian universities throughout the country.

The terms under which these two funds are to be established differ, as the purposes for which the funds are intended differ. The council will not be permitted to use the capital of the endowment fund, but will use only the fairly substantial annual income to be derived from the investment of this money. I would refer honourable senators to clause 16 (a) of the bill. This fund therefore is designed to provide a continuing income which the council will be permitted to disburse in the form of scholarships, awards and loans over the years for the encouragement of the arts, humanities and social sciences. In order that the council may enjoy the maximum income which would be consistent with a prudent investment of public funds, provision is made by clause 18 of this bill for the creation of an investment committee which will advise the council as to how this fund may most efficiently be invested. In this way it is hoped that the real income of the council will remain at the high level that may be expected from an expanding economy such as ours.

Now let me refer to the second fund, as provided for by clause 17. It is described, as I have said, as the University Capital Grants Fund, and will be expended under

conditions laid down in the bill. Essentially these conditions are, as provided in clause 17 (2) (b), that universities in the different provinces will receive a share of the fund equivalent to the proportion which the population of each province is to the population of Canada as a whole.

Hon. Mr. Connolly (Ottawa West): Does that refer only to existing universities?

Hon. Mr. Macdonald: At the present time it would refer to existing universities. But if a new university were established and there were moneys in the fund, I presume the newly created university could qualify for its share.

Honourable senators, this provision will ensure an equitable distribution of the funds within all the provinces in Canada. In addition, as provided for in clause 17 (2) (a), within this framework each university must match the sum to be provided by the council for any given construction project by an equal sum to be provided from other sources. In this way it is to be hoped that provincial governments, private organizations and private benefactors may wish to associate themselves with this particular aspect of the work of the council, and that the capital to be expended by the council will attract an equal amount of money from other sources.

May I draw the attention of honourable senators to the specific provision made by clause 20 under which the council may receive bequests, donations and gifts as a charitable organization. Indeed, I hope, as I am sure all honourable senators do, that private persons and organizations of wealth and substance may find in the council a central body to whose good offices they feel they may with confidence make gifts or bequests to be devoted with maximum efficiency to the encouragement of the arts, humanities and social sciences.

Hon. Mr. Aseltine: Would such gifts be free of income tax?

Hon. Mr. Macdonald: Not entirely free of income tax. Any gift would stand in the same position with regard to income tax as would a gift to a charitable organization. The amount of money which a donor can give free of tax is limited by the Income Tax Act.

Hon. Mr. Aseltine: I understand that. However, I should have thought in a case such as this some further exemption should be made.

Hon. Mr. Macdonald: No provision is made in the bill for any further exemption. As I say, a gift to the council would be in the same position as a gift to a charitable organization.

Hon. Mr. Bouffard: And it would be exempted from succession duties.

Hon. Mr. Macdonald: Yes. I thank my honourable friend. It would in that respect be also in the same position as a gift to a charitable organization.

Honourable senators, in closing may I say that as far as I am concerned I have no fear, such as has been freely and perhaps without due consideration expressed elsewhere, that the Canada Council as provided for in this bill in any way represents state control of the arts or "canned culture". Honourable senators will note from clause 13 that the council is not to be an agent of the crown. It is to be largely an autonomous body designed not to control or interfere with but to assist our universities and our voluntary organizations which have already for generations, and frequently under great difficulties, done such splendid work in these fields. The bill makes provision for what I believe to be a very real and growing need in our country. It is a bill in which I have complete confidence, and I hope and trust honourable senators will give it theirs.

Hon. John T. Haig: Honourable senators, I do not intend to speak at any length on this bill. It has, however, given me cause for a great deal of thought, because it deals essentially with the matter of education. While the first part of the bill has to do with the arts, humanities and social sciences, it primarily concerns the universities. The second part of the bill deals purely with universities.

I would like to put this question to honourable senators: Out of every hundred children attending public school in Canada today how many do you think will ever go through to university? Twenty-five years ago, when I first made a speech on this issue, the proportion was 3 per cent; that is, three out of every hundred public school children then reached a university. The proportion may now be 4 per cent, but I doubt if it is any higher than that.

We in this country are going through a period the like of which we have never seen before, and the uppermost question today is the cost of primary education to the people. Nothing in the world is so important as a proper education for the boys and girls, the young men and young women, of our country. This education starts with the public school. If you will look up the record I think you will find that only about 10 per cent of those who start at public school go on to high school, or collegiate or whatever you may call it, and graduate from there. That is all very good.

The problem of education seems to be the unwanted child of the governments of this

country. In my province of Manitoba we have been struggling desperately for the last four or five years with the question of who will help to pay the high and rising cost of education.

No doubt the teaching profession is underpaid. Those of us who have been teachers—I had the great honour of being one for about five years—know that there is nothing more important in any person's life than the impressions received from the teachers at school and university. I have children of my own who have gone through public school, high school and university, and grandchildren who are now in public school and high school, and nothing has been more important in their lives than the impressions given to them by their teachers. It is all right to talk about influence of parents at home. That is very important, of course, but just observe how implicit is the confidence placed by children in their teachers at school. So when we engage in controversy about teachers' pay, let us remember that a teacher contributes to the boy and girl, the young man and woman, something that no one else ever does.

I would now like to make some reference to the University of Manitoba. As I have mentioned previously, it is unique in that it was established through the united action of four outstanding religious denominations in the community. So far as I am aware, it was the first university to be formed on this basis in Canada, and I do not know if such a thing had been done before in even the United States or Britain. But at any rate, that is what was done at Winnipeg, some 85 or 87 years ago. The four denominations were the Roman Catholic, Presbyterian, Methodist, and Anglican. And right down through the intervening years these four religious organizations have worked together on the university Senate, which sets the examinations and programs of study, and never was there a quarrel or dispute of any kind that was not worked out within the confines of the university. I will admit that the university is not the largest nor the most important in the dominion, but I believe its founding and administration constitute the greatest instance of co-operation between religious bodies that our country has ever seen.

Now we need more building accommodation for that university. The Anglican Church wants to erect a new building on the university site, as does the Roman Catholic Church. The Methodists and Presbyterians, who are now in the United Church, are debating whether they too should build on the university site. The present United College buildings have been in existence for very

many years. If I may make a personal reference I will mention that this spring I shall have been a graduate of that university for 61 years.

The point I want to make is that universities located in the more newly-settled provinces—Manitoba, Saskatchewan and Alberta—and in Newfoundland require more assistance than those in Ontario, Quebec and other parts of the dominion where academic facilities have been longer established and most of the major building requirements have been provided for.

The bill, of course, relates only to the development of the arts, humanities and social sciences. There is here no provision to assist the teaching of engineering and many other sciences. But a knowledge of departments of modern knowledge which lie outside the scope of the bill is increasingly demanded all over the country, and the necessary facilities will cost a lot of money. So it must be recognized that we are touching here no more than the fringe of the whole problem of education.

I do not say this in criticism of the bill. I shall vote for it. This is not a political question. I am indifferent to how anyone else will vote; in fact I would support the bill were I the only member of the chamber to do so. In my position as chairman of a college board I would act unreasonably toward that college if I did not support this legislation, for I can see many benefits that will flow from it. But I see difficulties as well.

The interest which will be derived from the endowments is very small. The honourable Leader of the Government (Hon. Mr. Macdonald) touched on this point in what, I think, was a pretty good speech. But the fact remains that if you get as much as \$2 million interest on an investment of \$50 million you will be doing very well. It is true that because of the tightness of money, resulting, I must candidly remark, from Government policy, the present interest rate is up, but I hope that things will not always remain that way and that interest will revert to a more reasonable level. When that day arrives, the return from this endowment fund will certainly be less than \$2 million. However, whatever revenue is obtained, I am convinced that it will do a lot of good and that contributions from the public will be encouraged by the Council's activities.

I agree with the honourable senator from Rosetown (Hon. Mr. Aseltine) that gifts to institutions of learning should be exempt from income tax. Money directed to purposes of this kind is not given to charity.

Charitable contributions are a form of protection provided by the contributor in his own locality. But money donated to universities benefits the state because to the extent that private persons contribute the state is relieved from making grants. So, I hold, the tax exemption should cover the entire donation. If I give \$50,000 to a college endowment fund I should be allowed relief on my income tax that year in the total amount that I have donated. In this way people would be encouraged to support their universities.

Today, \$50 million will not go very far. Building costs have at least doubled in 20 years. That means that new buildings will cost a lot more money than they used to. Take, for instance, the college of which I have the honour to be the chairman. We need a new building right now, and the latest estimate of the cost is about \$3 million. This year we are turning away students because we cannot provide them with accommodation, and had it not been that the Government increased the grant this year from 50 cents to \$1 per head we would have been unable to do anything for the teaching staff of the college. The additional money, as I have previously mentioned, is being allocated to the increase of salaries and endowments for professors, a provision which must be made if these men are to be retained in the positions they occupy. Now under the proposed legislation we have hope of a grant from the council of one and a half million dollars; the remainder of the \$3 million must be raised in our own province. But more money will have to be found. The president of the University of Toronto said the other day that in the next 10 or 12 years at least \$350 million should be spent on the universities of this country if we are to provide adequately not only for those now living here but for the immigrant population which is needed if this country is to be adequately settled and populated.

So, although I shall support the bill, I have in mind other related considerations. What I am about to say has a political flavour and may offend some honourable senators, but I am going to say it. I can appreciate that in Quebec the provincial Government has very strong views on its responsibility in educational matters. They are, in fact, the most important with which the provinces have to deal. It seems to me that the additional money needed by the provincial universities should be raised by the provinces themselves, not by the dominion Government. That is, the tax base upon which the dominion Government levies this money should be shifted to the provinces,

so that it will be their function to determine how, as between public schools, high schools, and universities, the revenues should be divided. This seems to me to be fundamental. It was always understood that under the British North America Act education would be under the control of the provinces. I am not taking sides in this issue; I know how much dynamite it holds; but it is my belief that Parliament, however right it may be on many other issues, has been mistaken in its handling of this question.

To repeat: I intend to vote for this legislation, but I am opposed to the bill in certain particulars. I urge that total exemption from income tax and succession duties be granted in respect of moneys donated for purposes such as are contemplated in the bill. If this were done, I believe, a great deal of money would be raised, but if the present policy is continued the money must be obtained from taxation. It is far better to get it voluntarily.

I do not believe that the whole problem of education in Canada has been properly investigated. The position of affairs in Manitoba is typical of the situation in the rest of Canada. We need more public schools, more high schools, and more university accommodation; we need to pay professors and teachers more money so that we can attract the men and women best fitted for this work and qualified by their training and experience to give something to humanity. As long as I live I'll never forget one of my professors at the University of Manitoba. He taught me something that was not in the books and I have carried that teaching with me all my life. You might say, "He couldn't have made a very good impression, because you are no great shakes yourself." Well, I would have been much worse had it not been for what that man taught me.

Hon. Mr. Macdonald: You would still have been pretty good.

Hon. Mr. Haig: That may be. Some teachers and professors instil in their students certain things they never forget. These are the men and women of our country who need encouragement. Canada is a great nation and is accepting immigrants from all over the world, but these newcomers will never be joined together here as one united people until they learn what it is to be Canadians. Their children will attend our schools and colleges where our teachers and professors will inculcate the spirit of Canadianism in them. They will not get it from books.

Hon. Donald Cameron: Honourable senators, I do not intend to take very much time, but I do not think I would be true to the

profession I have been working in for the last twenty-five years if I did not say something about this very important milestone in Canada's development which is represented by the establishment of the Canada Council. It will be one of the most important turning points in the cultural growth and development of Canada.

The other day when I was in the House of Commons gallery I was delighted to observe that this bill was being piloted through that house by the Prime Minister himself. I think it is rather fitting that a measure of this importance should have the attention and the interest of the Prime Minister. It is also an indication of his calibre as a man that he has interested himself to the extent that he has in this very important project.

Some Hon. Senators: Hear, hear.

Hon. Mr. Cameron: I happened to be in Delhi when the announcement of the proposed formation of the Canada Council was made, and I can assure you that all members of the Canadian delegation were delighted with the announcement. A copy of an editorial from the *Toronto Globe and Mail* of November 14 was sent to me in Delhi. I think that editorial comment sums up very well the need for and the purposes of the council, and if I may I would like to quote from it. It commences:

There have been many memorable achievements in the development of Canadian culture, but few will rank with Prime Minister St. Laurent's announcement of his Government's intention to establish a handsomely endowed Canada Council. True, it has been five years since such an organization was proposed by the Massey Commission . . .

The writer goes on to say:

The endowment of \$50 million will provide at least \$2 million annually to be distributed as the council decides. Thus overnight, the climate for the growth of those activities which are the mark of a truly civilized nation has been vastly improved.

I must say I thoroughly agree with that statement. The article continues:

That climate has been less than felicitous; culture in this country has faced many difficulties in its stubborn attempt to grow and flower. Buffeted by the winds of indifference, stricken by the frost of poverty, it has nevertheless displayed enough vigor to take root and in its growth attract increasing attention.

But this cultural development has lagged far behind our industrial achievements. We are known internationally for our physical wealth, our tremendous growth, our ability to tackle and solve gigantic physical problems. Such things as the St. Lawrence Seaway and the development of our mineral wealth have properly caught the imagination of the world. Our cultural assets are less known; many of them, in fact, are distressingly unknown within our own borders. If the Canada council achieves its purpose, it will make possible the cultural equivalent of our physical feats.

I think that is a good summing up of the situation and opens a challenge to those who

have a responsibility in this field. The writer goes on in an attempt to define the responsibilities of the council, and I just want to quote one more passage:

Its precise duties must be defined. They should be based on the Massey Commission suggestions, which outlined them in this way: To stimulate and help voluntary organizations within the fields of arts, letters, humanities and social sciences; to foster Canada's relations abroad; to correlate and stimulate Canada's relationship with UNESCO; and to devise and administer a system of scholarships.

I think that is also a true statement. Apropos the suggestion contained in that editorial, I think it is important that the council make adequate provision in personnel at least for a UNESCO Commission. This organization, to which I referred in this house some three weeks ago, will play an increasingly important role in the life of the people of Canada and of other nations. I would hope that on no future occasion would a Canadian delegation go to any conference as ill-equipped as the one of which I was a member. This was through no fault of anyone in particular, but it mainly came about because we did not have the UNESCO Commission which is envisaged as being set up under the Canada Council.

I hope that the funds of this Canada Council will be used for the purpose of working with and through existing agencies rather than for the purpose of starting new activities. The very fact these agencies have survived the buffeting of hard times and indifference of the past and are making contributions in our communities today is evidence that they have made a place for themselves in their respective communities and are the agencies which should receive assistance.

Another point is that there should not be too much artificial stimulation of the arts. One of the most difficult tasks the members of the council will have is in dealing with the veritable blitz of proposals of every kind and description that will be submitted to it. The task of selecting those which are practical, fitting and fruitful will not be an easy one. However, the council will not go far wrong if it establishes the criterion that before being granted assistance an institution or agency must first demonstrate that it is satisfying a basic need.

I am delighted that provision has been made for capital grants. As one of those who have had to raise by private efforts most of the money for the institution with which I am associated, I know how difficult it is and how ill-equipped the arts and the humanities are to compete in this matter with the faculties of agriculture, medicine, engineering, dentistry and so on. In a country that is developing it is natural and obvious that the

basic requirements for training people in agriculture, medicine, engineering and dentistry must be met. It was probably not unreasonable that they should have first call on the limited funds available. But this recognition of the fact that the humanities are a vital need should I think encourage other governments, both municipal and provincial, to make larger grants for the advancement of the humanities.

Honourable senators, I do not intend to labour the point now, but I wish to suggest that one of the things to which we should give some attention is a possible revision of the Income Tax Act and the Succession Duty Act, with respect to charitable donations for education purposes. That, however, is part of another story.

I agree with the honourable Leader of the Opposition (Hon. Mr. Haig) that it is preferable that these funds should be contributed voluntarily by individuals or corporations, or groups who are in a position to give them, rather than that the Government should provide the funds through taxation of the people. However, unless a more liberal provision is made to recognize charitable gifts the universities and related institutions will have to come to governments for increasing amounts of money.

Honourable senators, may I say in conclusion that I feel this is a red-letter day for the arts and humanities of Canada. I compliment the honourable Leader of the Government (Hon. Mr. Macdonald) upon his excellent explanation of the bill. I look forward to the new upsurge in the growth and development of the arts in Canada that will result from this very generous and imaginative grant made on the initiative of the Prime Minister.

Hon. R. B. Horner: Honourable senators, I have only a few words to say. Without repeating what I said during the debate on the Address in reply to the Speech from the Throne, I wish to say that I am opposed to establishment of the Canada Council at this time, but perhaps for different reasons from those already advanced. I will attempt to name a few of them.

The honourable senator from Banff (Hon. Mr. Cameron), who has just resumed his seat, used the expression "artificial stimulation". To my mind this whole idea is entirely artificial. I believe that art, together with everything pertaining to it, is something that springs up in a person or nation in spite of any obstacle. It cannot be bought with money. We have come to regard money as the most important thing in life, and so long as we remain in that state of mind we will not advance in the arts or the humanities.

According to some interpretations it may be that I do not appreciate art, but certain objects that people call art I would not want near my residence at all.

So far as the humanities are concerned, we have arrived at a stage of development where a man receiving a salary of \$35,000 a year, with an arrangement for an income of \$50,000 at retirement after five years' service, takes advantage of his position to obtain a quarter of a million dollars in a stock deal, and the members of the cabinet on behalf of the Government defend his action on the ground that it is common practice in companies of that kind, because that sort of thing is advantageous to the future of a company. That is a bad state of affairs. I think the ordinary taxpayer who is ground down, and the wage earner who is not able to buy a home or provide the necessities of life, cannot view that sort of thing as a very human proposition, any more than I can. It occurs to me that the people who made donations to the University of Saskatchewan were chiefly men who were too busy in early life to complete even their high school education. I have in mind, for instance, the late Senator Burns, and I could name many others, who had to start earning a livelihood at an early age, without having had an opportunity of securing a university education. Indeed, if they had had such a university education they could not have accomplished what they did, for it takes a lot of training in various walks of life to achieve such success as theirs.

A few years ago the late Angus L. Macdonald made a statement, which was supported by the Right Honourable Mr. Meighen, that a large number of men crowding our universities would be happier in life if they took hold of a coal shovel and went to work in a coal mine. Men of experience know that is true. Nowadays many people speak as if everyone in the community should complete a university education. Well, honourable senators, that is just not possible at the present time. Furthermore, in spite of many handicaps, a great many people earn their own way through life. They are the ones who take full advantage of the little education they have, but the ones who have to be pushed along seldom value their opportunities.

In the thirties, during the depression, I shipped some horses up to Rouyn, Quebec, where I met a fine man, a woodsman. He himself had not had much education, but he sent some of his children to university, with the object of taking degrees. One day he said to me, "A strange thing, which I cannot

understand, is that the members of my family whom I put through university are the very ones that cannot make a living for themselves."

Honourable senators, as I read the bill I understand that the council will be free to invest the \$50 million endowment fund or gamble with it on the stock market, whereas the money for university grants may only be invested in bonds guaranteed by the Government. Well, I hope the council will not suffer the same losses as have people who invested in Government bonds ten years ago and can now get only 90 cents on the dollar for them. Of course, if the bonds are held until maturity they will be paid at par.

Honourable senators, I shall not delay the proceedings of the house further. I trust that I have made it at least partially clear why at the moment I oppose the creation of the Canada Council.

Hon. Mr. Reid: Honourable senators, may I ask a question of the honourable Leader of the Government? I understood him to say that the council would be composed of 26 persons?

Hon. Mr. Macdonald: No; 21 persons.

Hon. Mr. Reid: That is 21, plus the director and associate director?

Hon. Mr. Macdonald: That is correct.

Hon. Mr. Reid: I would suggest that another look be taken of subsection 3 of section 4. As I read it, it provides that a person who has served two consecutive terms as chairman of the council is not eligible after a lapse of so many months for re-appointment. Subsection 1 of that section provides that the chairman shall be appointed for terms not exceeding five years. I am wondering how a chairman could be appointed for two consecutive terms, in view of the provisions of subsection 3.

Hon. Mr. Macdonald: He could be re-appointed at the end of his first term but would not be eligible for reappointment during the twelve months following the completion of his second term.

Hon. Mr. Reid: I think that matter should be given further study in committee.

Hon. Arthur W. Roebuck: Honourable senators, I wish I could be as happy and optimistic with regard to this council as is my friend from Banff (Hon. Mr. Cameron). My purpose in rising at this time is not to get a halo of popularity, I can assure you. Those who have in the past advocated economy have never been popular. If one wishes to gain public acclaim he must jump on the band wagon and take part in the glamour of largesse.

At the moment I do not feel like doing that; indeed, I am rather inclined to be doubtful as to the future of the Canada Council. And of course one does not gain popularity when he expresses doubt. I express both anxiety and doubt with regard to the future of the council and the public interests that are to be guarded by it.

Our experiences of the past do not lead us to favour the distribution of funds by irresponsible persons, without at least supervision by Parliament. I am sure I would be happier if this money were to be expended directly under the control of Parliament rather than by irresponsible appointees who are not even civil servants. Therefore, I want to assure this council that their actions will be watched most critically by persons like myself, who are interested in the arts, literature and the sciences, and that we will particularly watch to see that little cliques and favourites are not allowed to develop. We will attempt to see to it that the money is spent in a broad-minded and fair way for the purposes for which it is being granted. Our experiences with bodies of this type lead us to have some doubts.

In modern times the tendency has become more and more common to depend upon the support of governments, and sometimes upon the largesse of big donors, rather than upon one's own industry and enterprise. My friend from Blaine Lake (Hon. Mr. Horner) has just expressed the thought that big things have been accomplished by those who fought against great difficulties. My friend from Banff spoke about the blight of the frost of poverty. Let me point out that the great poets, painters, artists and writers of literature in the past were for the most part poor men and women who struggled against tremendous difficulties. They were not supported by any kind of government favour.

Dr. Johnson, who, as my honourable friends know, wrote the first dictionary in the English language, defined "pension" as a payment to an individual for betraying his country. That definition was rather too severe, and Dr. Johnson himself later accepted a pension from the British Government. But there was an element of truth in the definition. There is nothing that so blights great endeavours as does ease, comfort or luxury. Those things seem foreign to the almost fanatical enthusiasm with which great works of art have been produced. Dr. Payne, author of a history of English Literature, spoke about the exalted concentration that was necessary for the production of such a work as that of the Bard of Avon. Shakespeare was not a wealthy man. Indeed, he held the gentlemen's horses or tied them to hitching posts, in London, for a penny or

so. Goldsmith wrote in poverty; indeed, at the time he produced *The Deserted Village* he had scarcely enough to eat.

I am not advocating poverty, but I am pointing out that the great works of art, literature and science were for the most part produced in poverty. They were the result of an exalted concentration on the part of the individual, rather than of government favour. To me, government favour seems a blight, because people will work for the favour rather than for the art itself.

My honourable friend from Banff (Hon. Mr. Cameron) has suggested that there will be a veritable blitz of demands on this fund. That is quite true. There is simply no limit to what some persons will ask in support of the work they are doing. Of course there will be a blitz of demands on the fund. And while the money may give assistance to some artists and writers to produce something worth while, it will mean only discouragement to vast sections of the community which value their own efforts but will be excluded from the benefits of the fund.

I am just as interested in art and literature as anybody who will be appointed to this council, and just as anxious that our artists and men of letters should succeed. But in the broad picture I very much doubt whether government money is the way to secure that kind of success. I express these doubts not because I am happy in doing so, but rather because I would like the men and women who will later become members of this council to realize that we who are interested in this field will be watching them critically to see that the moneys are distributed wisely, fairly and without favouritism.

I would like to have seen it provided that these grants that are to be made shall appear year by year in the estimates, and be publicly considered before being granted. I think our chances of getting real results from the expenditure of this public money would be very much greater if from year to year the civil servants who distribute it were obliged to account for their actions to a minister, and through him to the elected representatives of the country.

And just a word about the University Grants Fund. I believe that the Fathers of Confederation were wise when they gave control of education into the hands of the provinces, and I am quite sure that the great majority of my fellow citizens will agree with me in that statement. The reason for the movement in the opposite direction springs from the constant tendency of those who pay taxes to shift the burden to somebody else. You find in the newspapers day

by day, month by month, this tendency, this effort, on the part particularly of the landed interests, to get out of paying the municipal taxes which they ought to pay for the support of education, and to shift the tax burden over, first upon the shoulders of the provincial Governments, and from the provincial Governments upon the shoulders of the dominion Government, little realizing that the real problem is not that of getting money free from the dominion Government, but rather which Government raises the money with the lesser harm to those who pay it.

The dominion Government has no money; it merely spends the money of its taxpayers, and the problem is whether taxation imposed by the dominion is less oppressive and destructive than that imposed by the province, or again than that imposed by the local municipalities. My thought is that the taxes best raised, and most effectively spent are those raised by the municipalities and the school boards, which are close to the people, know what the people want and answer directly to those who pay the money, rather than this welter of taxes that we in Parliament levy usually on the basis of the most feathers for the least squawking, usually indirect taxes paid by people who are not conscious that they are paying them.

I see no advantage at all in shifting the burden of taxes which go to the support of education first from the local municipalities to the province, and then from the province to the dominion. I think the Fathers of Confederation were quite wise in giving that responsibility to the local municipalities and imposing upon them the burden of raising the money.

I suppose the granting of money to a university by the dominion through this roundabout method of the council and the University Capital Grants Fund is to sugar-coat the pill for certain parties in the province of Quebec. If that is the purpose it is a poor purpose. I would rather we faced the problem courageously. Let us make the grants directly or not make them at all, and if the grants are not acceptable then let us drop it at that, rather than hand out public money through private individuals. It is a bad principle.

As I say, I am not happy in making these comments but I think they are appropriate at this moment. I am not joining the band wagon. I am not expressing delight in this appropriation of \$100 million of public money and the placing of it in the hands of private individuals. I very much doubt the long-range value of giving money in this way.

Hon. Mr. Horner: Hear, hear.

Hon. William M. Wall: Honourable senators, as an educator I think I would be untrue to my experience, to my hopes and my aspirations if I were not to express my welcome of this leadership and assistance at the national level to encourage the arts, the humanities and the social sciences, and, as forecast in the Speech from the Throne, to encourage technical education by larger grants to provinces.

If we accept the principle of national purposing in this important problem area, the bill to me looks straightforward and comprehensive. I am wholeheartedly in support of it as an exploratory and a real beginning in helping the arts, the humanities and the social sciences. I expect that the changing character of our emerging needs will necessitate changes to, perhaps even enlargements and extensions of, this progressive and I believe well-timed legislation, which I humbly suggest merits the support of this honourable house. We hope that doubts and uncertainties expressed by some honourable senators will be resolved by statesmanlike policies worked out by the Canada Council.

In parenthesis, may I express my sincere belief that continued study must be given to the problem of overall effective distribution of taxation revenues to and at the various levels of government, where the character and need of expenditure are changing at each of the three levels.

I should like, without taxing your patience, to make one or two observations concerning the specifics of the bill. The membership of the Canada Council is to be 21. I gather from the speech of the honourable Leader of the Government (Hon. Mr. Macdonald) that it is the Government's intention to reflect in the actual membership of the council, by its representative character, the diversity of contributions and needs of the Canadian population. I quote his words,—I hope, correctly: "Due care will be taken to ensure that those chosen will represent different regions and the major cultures". May I express the hope that due regard will be given, other things equal, to the existing cultural diversity in our democratic milieu. I do not wish to enlarge on that statement.

There is a University Capital Grants Fund of \$50 million to help in the construction of buildings. I sat not long ago on the advisory board of a college in Winnipeg, who were then discussing how they could raise \$500,000 to initiate the construction of the buildings which are to be put up on the campus; and a very real point in the discussion was the expression of the hope for a contribution of \$100,000 from this capital grants fund. Indeed, it was a very important factor in the advancement of the proposal to provide this very necessary accommodation.

One of the purposes of the endowment fund of \$50 million is to provide scholarships. It is my sincere hope that the amounts of the scholarships will be substantial. Further, section 20 of the bill provides for the receipt of donations and grants by the Canada Council. I respectfully suggest that at the provincial level a very real need exists for educational endowment funds which would be a vehicle for the donations of people with smaller amounts to contribute. It may not be too farfetched to suggest that in time the Canada Council shall give leadership in the initiation of such funds or assist the people who desire to initiate such funds at the provincial level, where money is very badly needed.

With these few remarks I shall close. Once more I express my deep satisfaction that this legislation is before us at this time. It is well-timed and comprehensive, and I think it merits the support of this honourable house.

On motion of Hon. Mrs. Fergusson, the debate was adjourned.

DIVORCE AND ANNULMENT BILLS

THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill W-5, an Act for the relief of Florence Helen Leslie Redston.

Bill X-5, an Act for the relief of Jeannine Thauvoye Pastuszko.

Bill Y-5, an Act for the relief of Ellen Catherine Norma Hogan Liddell.

Bill Z-5, an Act for the relief of Abrasha Brainin.

Bill A-6, an Act for the relief of George Henry Eaton.

Bill B-6, an Act for the relief of John Bernard Finucane.

Bill C-6, an Act for the relief of Anne Marie Marguerite Victoria Melchers Harwood.

Bill D-6, an Act for the relief of Estelle Frances Demaio Parr.

Bill E-6, an Act for the relief of Helmut Josef Wagner.

Bill F-6, an Act for the relief of Therese Filion Robert.

Bill G-6, an Act for the relief of Elizabeth Mary Gnaedinger Johnson.

Bill H-6, an Act for the relief of Peggy Mary Trim Bodaly.

Bill I-6, an Act for the relief of Arthur John Chatham.

Bill J-6, an Act for the relief of Margaret Louise Martin Bowden.

Bill K-6, an Act for the relief of Margaret Joan Carol McCurley Decaire.

Bill L-6, an Act for the relief of Jean-Paul Audette. (Annulment).

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

The Senate resumed from Tuesday, February 19, consideration of His Excellency the Governor General's Speech at the opening of the session and the motion of Hon. Mr. Bois, seconded by Hon. Mr. Smith (Kamloops), for an Address in reply thereto.

Hon. A. Neil McLean: Honourable senators,—

Hon. Senators: Hear, hear.

Hon. Mr. McLean:—in rising I would like to congratulate the mover and the seconder of the Speech from the Throne. They did very well indeed.

I feel I should say something on one or two subjects on which there is a good deal of controversy throughout the country, and as they are rather technical I shall have to stick rather closely to my notes.

First, I would like to speak on export prices. This country is entitled to world prices for the goods we export, but quite often it seems we are not getting them, and when export prices of certain commodities are raised moderately to bring them in line with world prices there is criticism in certain quarters both at home and abroad.

Canada has a very large unfavourable trade balance with the United States. It is estimated that for the year just closed this unfavourable balance will amount to over a billion and a quarter dollars. Now, the only way a debtor country can pay a creditor country is by exporting goods and services, and if there ever was a time when Canada should receive full value for her exports it is now.

Recently, some of our pulp and paper companies raised the price of newsprint \$4 per ton, which was a very moderate raise indeed in the circumstances. However, there was an immediate outcry from some of the publishing interests and politicians across the border for an investigation of the Canadian pulp and paper industry as to why they have raised the prices of their own product. Such talk does not make real sense. As far as I know, our pulp and paper companies are not profiteering. Anyone who takes the trouble to give the situation a little study knows that the cost of manufacturing newsprint has gone up considerably during the last year, but the wonder of it is that

the increase has been so slight, as it is difficult to figure out how this small advance of \$4 per ton will cover more than a portion of the increased costs the manufacturers are up against. Freight rates have gone up substantially in the last year; the discount on the American dollar has doubled, and I could name several other items that have contributed to increasing the costs of manufacturing newsprint. In the circumstances, therefore, our Canadian paper manufacturers have been very moderate indeed in raising the price of their product by only a minimum amount. I might say here I am speaking from outside knowledge, as I have no special interest in any pulp or paper company.

I believe another important product that has been exported, considerably below world prices during the past years is nickel. Canada has a great storehouse of raw materials. It costs our country considerable to conserve such resources as our forests, *et cetera*, and when we part with these valuable resources, no matter in what form, whether in the raw state, semi-manufactured, or as finished products, we should see that full market value is received in the markets of the world, except, of course, in certain circumstances where it is Government policy to render material aid to friendly nations.

Outside companies operating in Canada would do well to follow the suggestion made by the Right Honourable C. D. Howe that Canadians be given a broader opportunity to become part of their set-up within Canada. In fact, in some cases when an important export is involved it would seem wise that at least 50 per cent of the directors of companies controlled outside of Canada should be Canadians, so that they could see to it that full value was received for the companies' products when sold in the export market.

Next I have something to say about the present high interest rates and money squeeze and their effect on the country, especially on the small man and small business. The bank rate is no cure-all for inflation; in fact, a high bank rate is to a certain extent inflationary within itself, and an unstable bank rate is very upsetting to industrial progress. We have at present what I would call a jumping-jack bank rate. It has been changed so many times I cannot take the time to count them. The credits gained by a high bank rate are minor indeed compared to the debits, which run into hundreds of millions, as I mentioned in this chamber last year.

Over the years I have been interested in world trade, which has covered a hundred countries. This has kept me in close touch with the progress and economy of many

nations. Also, I have followed their monetary policies to see how they have affected their prosperity or non-prosperity.

As an easterner I know we have no inflation within the Maritimes, for the value of the vast majority of our products is set by export prices. The real cure for inflation—if uncontrolled inflation exists in any part of Canada—is greater productivity. Sometimes we hear it said that wages are inflated in certain industries without a corresponding return in increased production per unit of labour. Be that as it may, if such conditions exist the remedy is to help labour toward attaining greater productivity by giving it better tools to work with.

Across Canada today many hundreds of millions of dollars could be well spent on modernizing plants and factories—that is, replacing old machines with modern ones and adopting the latest scientific processes. This would help labour produce a greater quantity of goods per man. How can this be done under present credit restrictions? Money for such purposes is only available to the very rich corporations. The ordinary or small industry is simply out of the picture. If it seeks to make itself more efficient through scientific means its hands are tied by an outdated monetary system that has one quack monetary cure—all for everything, sound or unsound—high interest rates. As one outstanding writer has put it—we burn down the barn to kill a rat, or the pig sty to get a roast of pork.

The man who desires to build even a small home for his family, which I say is a noble undertaking in any country, now finds it next to impossible to raise the money except at usurious rates, if in fact he can get it at all. Yet there is certainly no scarcity of lumber or land to build on in this country. It costs no more today to issue and circulate money than it did twenty years ago, and although we have been becoming richer and richer as a country we now have the highest interest rates in a quarter of a century. This has a serious effect on every man, woman and child throughout Canada.

It came out in a recent congressional hearing at Washington that every 1 per cent raise in interest rates meant \$7 billion more burden for the American people. In itself this is of course inflationary, for it adds just that much more to the cost of living of the ordinary citizen. Thus inflation is being handed out to cure inflation. In Canada the cost to the taxpayer would be proportionately the same.

I quite agree with J. Edouard Labelle, Q.C., President of the Provincial Bank of Canada, when he warns that under present circumstances there is every chance that fear of

inflation might jeopardize progress. That is exactly what is happening in our eastern provinces, for as I have pointed out I can find no inflation whatsoever within the Maritime provinces. But the fear of inflation is being spread there by some who have not the facts nor the figures to back up such harmful propaganda. Money that flows into our economy has the same effect, as far as inflation is concerned, no matter from what source it comes.

The following table shows the amounts Canada has borrowed from the United States during the past few years in provincial government and provincially guaranteed loans, along with municipal and corporation loans:

1953	\$307,774,000
1954	184,281,659
1955	161,613,000
1956	425,000,000

So one can see we are steadily increasing our overhead of foreign mortgage indebtedness across the border.

Our borrowings in the United States during the four years mentioned amounted to well over a billion dollars, and the interest on this large sum of money has to be paid to citizens of the United States and is not subject to ordinary taxes in our own country. It is probably safe to say that the average loan will run for about seventeen or eighteen years and that the average rate of interest will be something over 3½ per cent per annum. This means that Canadians will pay to citizens of the United States around \$650 million in interest alone, which should have been paid to Canadian citizens or corporations and put in circulation here to stimulate our own economy. The tax revenue would help carry on the business of the country, but as it is these interest payments will further aggravate our deficit trade balance. That is one of the penalties we pay because of the monetary policy of our central bank, which seems to have seceded from Parliament.

Hon. Mr. Lambert: May I interrupt the honourable senator to ask a question? In what form does he think these interest payments owing by Canadians to citizens of the United States should be made?

Hon. Mr. McLean: They will have to be paid by exports. There will be no imports returned for them.

Hon. Mr. Lambert: The payments will have to be in the form of exports.

Hon. Mr. McLean: We are short now in our trade balance. We are paying interest now and getting no imports in return.

When Canada borrows money from an outside country we do not borrow gold. In

practice we simply borrow the goods and services of that country at interest. Now if more goods and services are needed in Canada our brawn and brain should be applied to the utmost to produce all we possibly can of such needed goods and services within our country. What we, as a people, produce from the land, sea and forest provides us with our standard of living and has to pay all our bills, both at home and abroad as stated. Further, a greater production of goods and services is the only cure for the so-called inflation, if such a thing exists uncontrolled in any part of the country. On a *per capita* basis, Canada has far more land, sea and forest resources for production of goods and services than has any other country of the world.

In these circumstances does it not seem a very strange doctrine indeed that the citizens of Canada are told by their top money power that they are doing too much and are advised to take a breathing spell—in other words, rest on their oars or shovels and slacken up on production for a bit? A slowdown is in order. It is like telling a farmer who is in debt and needs all the production from his farm that he can get to pay his bills with, to lay down his tools for a while and if he needs production in the meantime to go and borrow some from a neighbour by giving a mortgage on his possessions at an extremely high interest rate. It is self-evident that such a policy would be nonsensical. It is well to note that some communist countries are working long and hard and their production rate is steadily increasing.

Borrowing money by selling bonds in the United States is entirely different in its effect on the country from obtaining venture capital which freely comes across the border mostly of its own accord and brings "technical aid" and "know-how" along with it and which to a very major extent comes without fixed charges.

The mines of our north country and the oil industry of our western provinces are much further advanced today owing to the large financial investment that has come from the United States for their development. For the investments from the United States were accompanied by technical skills and "know-how" as to the way in which these properties could be developed promptly and efficiently and by the best-known scientific processes. With such aid given us it is fair and just that the profits of the new industries be shared with those who come to our aid as a young nation.

But the situation is entirely different, when, owing to an antiquated monetary

system, our provinces, municipalities, cities and crown corporations, such as provincial hydro, are forced to go to the United States to borrow enormous sums of money to carry on their ordinary affairs of government along with providing for essential services. There is no "technical aid" or "know-how" whatsoever given or needed in connection with such borrowings. We can operate our provincial Government services just as well as the Governments of the different states of the Union can operate theirs. The municipalities of Canada are just as efficient in carrying on their affairs as are those cross the border, and Ontario Hydro-Electric Power Commission leads America in the operation of a public hydro-electric enterprise.

During the great depression of the so-called "hungry thirties" a prominent American public figure made a statement in Congress deploring the fact that his generation could not seem to pay for its own grub, for at that time term interest-bearing bonds were being issued to pay for the relief and soup kitchen bills operated for the hungry and a large portion of such indebtedness, when it came due, would have to be paid for by a future generation, including children then unborn.

This was a statement of fact, and it caused a good many people to realize that such antiquated financing was really quite dishonest and entirely unfair to posterity. In the light of these circumstances it might be well to examine the situation which faces this country at the present time.

During the last year or so, as stated, our provincial and municipal governments have been forced to go to the United States and borrow hundreds of millions of dollars. Now, just what do these governments borrow such large sums for? Well, the cost of educating our youth is one of the largest expenditures that the local governments have to meet. New and larger schools and hospitals are continually needed throughout the country. Expenditures on hospital upkeep for the sick is another large expense and is steadily increasing. Also, as the days of Indian trails are long over, the upkeep and extension of our public road system to take care of our growing traffic takes very large sums of money.

Now, does it not seem rather deplorable that a great country like Canada, which financed itself during a world war and lent and gave billions of dollars to our allies, now finds that, owing to an outdated monetary system, its provinces and municipalities are unable to provide enough money within the country for the education of our children or

the care of the sick? Does it not seem most unreasonable to anyone who will give the matter a little study that we, a strong nation, should have decreed on us a system of finance whereby we are obliged to mortgage our heritage and posterity's heritage to an outside country for many years to come in order to take care of the current legitimate needs of our youth, to look after the unfortunate, and extend and maintain highways? Nevertheless, in my opinion, that is the position our country has been placed in today by the unwise action on the part of our central bank in decreeing not only a money squeeze but also in raising interest rates much higher than they are across the border. In the United States interest rates are not only much lower than in Canada, but enough money is kept in circulation so that they are always able to lend billions to other nations.

Our local governments are accountable to their taxpayers, and if they can save money themselves by borrowing at lower rates in the United States they of course have a perfect right to do so. But why should they be placed in this position by a non-elective body which has failed in its duty to provide enough money at rates within reason, if at all, for the important domestic needs I have referred to? I feel that members of this chamber could well give some careful thought to the present monetary situation.

The following is an excerpt from the preamble to the Bank of Canada Act:

Whereas it is desirable to establish a central bank in Canada to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit, i.e., the Canadian dollar, and to mitigate by its influence fluctuation in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, . . .

I would like in a few words to analyze this directive, as to whether under present conditions it is being carried out efficiently in the best interests of the economic life of the Canadian people as a whole.

First, as to controlling and protecting the external value of the Canadian dollar. It seems to me it is over-protected and under-controlled. Our dollar is inflated between 4 and 5 per cent above the United States dollar, and this in effect puts a tax of millions of dollars every month on our exporters to the United States, at a time when exports to the United States should be stimulated instead of being taxed, for our trade deficit is very great.

Internally our dollar has been inflated higher than gold, for we pay only around \$33.50 for an ounce of gold against the world

price of \$35. And when we compare a thousand dollars in bills with a thousand dollar Government bond, which is one of the best securities in the world, we find bonds selling at a discount of from 10 per cent to 15 per cent. Government securities are not inflated, but the dollar certainly is, when it takes only about \$850 to buy a \$1,000 bond. It is easily seen that hundreds of millions of dollars have been lost by those who save and invest in Government bonds. Small people especially invest in these bonds.

Take the dollar squeeze or tight money policy forced on the chartered banks, making Canadian dollars scarce internally and high in price. The Canadian banking system has its back to the wall in trying to finance the progress of the country and to fulfil the legitimate financial needs of our citizens. In fact, many needs are going unfulfilled. As one bank says, money has been tighter during the past year than at any time since the Bank of Canada was established. However, the policy of usurious interest rates and an inflated bank rate that has been pressured on our people in order to make the Canadian dollar hard to get has been a bonanza to those outside the domain of our central bank. Hundreds of millions of dollars have come into Canada on loan from New York. Canadian borrowers of a high credit rating have found funds readily available there. Many millions more in American dollars have come here from the parent United States corporations to their Canadian subsidiaries for expansion purposes in this country. Certain important types of credit institutions other than the chartered banks have become much more active in loaning dollars in order to reap the benefits of high interest rates. The personal loan business is also soaring with those who have money to loan at a price.

To sum up, hundreds of millions of American dollars have taken the place of Canadian dollars in our country's economy and mortgage indebtedness outside our country steadily grows. The excuse given for such a state of affairs is that we have inflation. Well, replacing Canadian dollars with American dollars in the Canadian economy is no restraint whatsoever on the so-called inflation. The inflation angle does not come into the picture at all.

Now, as to the direction to control fluctuations in the general level of production and employment, I can only say that if this tight money squeeze keeps up we shall have fluctuation downward in production that will cause an awakening we may not like, and we shall have plenty of unemployment also. A banking policy that contributes to the

conditions that I have referred to as prevailing in our national economy is in my opinion quite contrary to the meaning of the preamble of the Bank of Canada Act.

It is possible to arouse criticism among certain sections of people over an increase in the cost of living, and the cry "inflation" goes forth even in instances when it is the logical and natural consequence of the release of additional purchasing power put into circulation for the benefit of the people through higher remunerations and costlier social services. When these benefits are not followed by a corresponding increase in production people must realize that in given circumstances the higher cost of living is just the other side of the same picture. The tendency toward a welfare state is inflationary in itself. The labour, profit and price spiral is often inflationary. The bank rate has no effect on either. Neither do high interest rates increase our labour or material supply.

History over the centuries shows that we have had creeping or controlled inflation since the days of William the Conqueror, when the price of gold was \$8 or \$9 an ounce, and as far as I can see, we probably always will have it, but this does not mean uncontrolled inflation, of course.

There are several ways of attacking uncontrolled inflation, if such exists in any part of the country. First, by fiscal policy, that is, by using taxing power to curb personal and corporation spending. Second, by placing direct controls on any fraction of the nation's economy claimed unsound. Third, by monetary policy, that is, by juggling with the bank rate. Experience has shown that at least in its present form the monetary policy of raising interest rates is emerging as by far the most dubious of all the weapons known for defeating uncontrolled inflation, for to be effective at all it must cut down the volume of investment and greatly slow up the rate of economic growth, and as an aftermath it brings cries of distress from weaker borrowers. Restrictive action applied too long can be more serious than no restriction; and, to quote a high authority for whom I have great respect:

So it goes. Inflation control is the ultimate test of the power of the general interest against the special interest. For the moment, at least, the position of the special interest could scarcely be stronger. It has managed to ban all the weapons by which inflation might successfully be attacked.

Hon. Mr. Farris: I would like to ask my honourable friend a question. How could Canadian borrowers secure in Canada these hundreds of millions of dollars now borrowed in the United States?

Hon. Mr. McLean: Well, this country was able to finance a war at a cost of \$5 billion and it loaned or gave away another \$5 billion. The amounts now being borrowed are really much less than that. We can increase the circulation of money here. There is no reason why we cannot keep pace with the United States. It all depends on the interest rate. Our municipalities find they are able to save several hundreds of thousands of dollars by borrowing in New York. But why should our interest rates be higher than the rates in New York?

When I was with the Unemployment Commission here in Ottawa, at the height of the depression in the "hungry thirties", wheat went down to 19 cents a bushel, the lowest it had been since the time of Queen Elizabeth. We then had a national income of about \$3½ billion, including all the goods and services produced from land, sea and forest, and the national income of the United States at that time was about \$45 billion. If you multiply each of those figures by nine you get a gross national product of approximately \$30 billion for Canada and about \$400 billion for the United States. Now the United States figure has gone up to \$420 billion.

We are not on a gold standard; we are on a paper standard.

Hon. Mr. Lambert: When it is boiled down is not your proposition along the lines of the Social Credit theories?

Hon. Mr. McLean: I do not think my friend listened very closely to my remarks. It had nothing to do with the Social Credit theories. I have never studied those theories and I know nothing about them.

Hon. Gordon B. Isnor: Honourable senators, I do not propose to make any extensive remarks. When the honourable senator from Vancouver South (Hon. Mr. Farris) rose to ask his question, I was about to put an identical question to our honourable friend who is a financial expert and has given us a fine discourse on the subject of inflation.

Speaking for myself, as an ordinary businessman who from time to time requires money and has to go to the bank for it, I try to borrow at the lowest interest rate available. My honourable friend gave the amounts of our borrowings over the past four years. As I noted them in round figures they are as follows:

1953	.....	\$307 million
1954	.....	184 million
1955	.....	161 million
1956	.....	425 million

That is slightly more than \$1 billion. He went on to develop the thought that over a

period of 18 years, at the rate of 3½ per cent, we would pay interest of about \$650 million.

Now, honourable senators, I do not think that is out of the way at all. For instance, the financing of the Brooklyn Bridge was carried over a number of years, and double the cost of the bridge was paid in interest. In ordinary business you cannot borrow money unless you are prepared to pay for it. In each and every case I venture to say that the borrowers who got money from the United States first tried to get it in Canada; they likely advertised in the *Financial Post* and other newspapers for potential lenders; but nowhere in Canada did they find as cheap money as they could get in the United States. I am sure my honourable friend from Southern New Brunswick (Hon. Mr. McLean) would agree that it is only common sense that the borrowers went to the United States for money because of the saving it meant to them. I do not think we can find any fault with them in that respect.

My honourable friend has expounded his theory on previous occasions in this house. As the honourable senior senator from Ottawa (Hon. Mr. Lambert) has suggested, it is pretty close to the Social Credit theory, which advocates a change in our monetary system. Possibly many of the Social Credit group have passed away, and it may be that the honourable gentleman is a remaining member of that group. I would not like to see that theory seriously proposed again, especially when we are fighting to control the inflationary spiral. I do not think my honourable friend suggested anything here today that will help us do that. Perhaps he might state briefly how he would proceed to overcome inflation.

Hon. Mr. McLean: According to what we are told, the reason for this money squeeze and high interest rates is inflation. Well, I pointed out, and I think quite plainly, that raising the bank rates did not affect more than 10 per cent of the causes of inflation. We have deliberately raised interest rates here higher than they are in the United States, and the reason given for so doing is that there are too many dollars chasing too few goods, but this has had no effect on inflation at all. My argument is against high interest rates, which are affecting the small business and the small businessman and driving our municipalities over to the United States to borrow what money they need. If the rate of interest was the same in Canada as it is in the United States there would be no reason to borrow over there. Yet although the borrowers lose 4 per cent or 5 per cent on exchange, their actuaries tell them they can amortize it and at the end of fifteen or twenty years be several hundred

thousand dollars to the good. That is what I am criticizing. What we are doing at the present time is not restricting inflation, except to a very small extent.

Hon. Mr. Isnor: If we had followed your theory we would not have borrowed the billion dollars over the last four years and so would not have been able to go ahead with the projects which those loans made possible and which, I contend, helped to bring about the prosperity we enjoy today.

The Address was adopted.

The Hon. the Acting Speaker: Ordered that the said Address be presented to His Excellency the Governor General by such members of this house as are members of the Honourable the Privy Council.

PRIVATE BILLS

GOVERNING COUNCILS OF SALVATION ARMY—SECOND READING

Hon. Muriel McQ. Fergusson moved the second reading of Bill U-5, an Act respecting the Governing Council of the Salvation Army, Canada East, and the Governing Council of the Salvation Army, Canada West.

She said: Madam Speaker, may I first congratulate you on having been chosen to act as Speaker *pro tem*, and also on the charming, gracious and efficient manner in which you have carried out the duties of the Speaker.

Hon. Senators: Hear, hear.

Hon. Mrs. Fergusson: Honourable senators, this bill was to have been introduced by the honourable senator from Rockcliffe (Hon. Mrs. Wilson), who is prevented from explaining the bill today by an unfortunate accident which I know we all regret very deeply. Senator Wilson is on the Advisory Committee of the Salvation Army in the city of Ottawa, as she is on the board of so many organizations that contribute to welfare. She is much interested in the work of the Salvation Army, and in explaining this bill I am acting at her request. I am indeed sorry that she is not able to be present.

The explanatory notes to the bill give very clearly the reasons for its introduction. A few historical facts may not be inappropriate, however.

The first Salvation Army meetings in Canada took place in 1882, and ever since then the Salvation Army has carried on in Canada its work of religion, charity and benevolence. To carry on that work it necessarily acquired property, and until 1909 any property held by the Salvation Army was controlled by the Territorial Commissioner. Under Chapter 132 of the Statutes of Canada, 1909, the Salvation Army was incorporated,

and subsequent to that date its property was controlled by the Governing Council of the Salvation Army in Canada, known as the Corporation. At about this time the Salvation Army, all over the world in the 53 countries and colonies where it was operating, was taking steps to become incorporated in a manner similar to that of the Established Churches.

Due to the growth of the Salvation Army after 1909, in 1916, by Chapters 63 and 64 of the Statutes of Canada, two corporations were established to carry on the work. Chapter 63 set up the Governing Council of the Salvation Army, Canada East, which was given authority to administer the property, business and other temporal affairs of the Salvation Army in the provinces of Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island. The amending act provided that the annual value of the real estate held by or in trust for the corporation in Canada should not exceed the sum of \$350,000.

Chapter 64 of the Statutes of Canada, 1916, set up the Governing Council of the Salvation Army, Canada West, which was given authority to administer the property, business and other temporal affairs of the Salvation Army in the provinces of Manitoba, Saskatchewan, Alberta and British Columbia, the Northwest Territories and the Yukon Territory, and this amending act set a limit of \$200,000 on the annual value of the real estate held by or in trust for the corporation in Canada by the Governing Council of the Salvation Army, Canada West.

It is unnecessary for me to describe to honourable senators the growth of the Salvation Army in Canada since that time. Government and citizens alike appreciate the tremendous work done by the Salvation Army during the wars amongst our men in Canada and elsewhere, and also appreciate that the Salvation Army is responsible for the largest private social service endeavour in the country, including, as it does, maternity and other hospitals, children's homes, eventide homes for aged men and women, and men's hostels and other agencies of social work.

In view of the recognized position of the Salvation Army in Canada now, it is difficult to realize the tremendous opposition there was in this country to the early work of the Army and the objections that were often made to Salvation Army processions and open air meetings. Although he certainly was not a member of the organization, Sir Wilfrid Laurier supported very strongly its right to hold these processions, and in the late 1880's he said, "If need be, I am prepared to march at their head to protect them."

The growth of the Salvation Army makes the statutory limitation placed on the annual value of its real estate unrealistic. In terms of annual value the present holdings may now exceed the statutory limitation; and certainly when the present program of extension has been completed it will go beyond that amount.

Recent private acts of the Parliament of Canada incorporating religious organizations placed no limit on the real property held by such corporations; and the purpose of this bill is to remove for the future, and retroactively, in case they have already exceeded it, the monetary limitations on the annual values of the real estate held by the Governing Council of the Salvation Army, Canada East, and on the annual value of the real estate held by the Governing Council of the Salvation Army, Canada West.

If this bill receives second reading, honourable senators, I shall propose that it be referred to the Standing Committee on Miscellaneous Private Bills. The Salvation Army will have representatives present at the committee hearing to answer any questions which it is desired to put to them.

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

REFERRED TO COMMITTEE

On motion of Hon. Mrs. Fergusson, the bill was referred to the Standing Committee on Miscellaneous Private Bills.

CANADIAN CO-OPERATIVE CREDIT SOCIETY LIMITED—SECOND READING

Hon. William M. Wall moved the second reading of Bill V-5, an Act respecting Canadian Co-operative Credit Society Limited.

He said: Honourable senators, I shall be as brief as I possibly can, but I should like to present a little general background information before explaining the purpose of the bill.

In 1953 Parliament passed an Act respecting Co-operative Credit Associations, Chapter 28 of the federal statutes, 1952-53. This general enabling legislation, which contains 85 sections, provided a legislative framework which in effect permitted the incorporation of a national credit association by subsequent special act.

The Co-operative Credit Association Act outlines the powers of such an association; sets up for depositors and investors suitable safeguards concerning loans, investments, annual statements, audits and so on; and provides for inspection and supervision by the Superintendent of Insurance, who is required to report to the Minister of Finance annually on the condition of the affairs of a national

credit association when incorporated under the provisions of this general act.

As I understand it, this act is enabling legislation comparable to the Trust Companies Act or the Loan Companies Act, and applies to any organization incorporated by private act as a credit society—which is what this is.

Sequentially the Canadian Co-operative Credit Society Limited was incorporated by private act in 1953, Chapter 58 of the Statutes of 1952-53.

One special feature of this act of incorporation needs to be mentioned, namely, that it included a schedule which named the provincial credit societies of seven provinces to be eligible to become members of the national credit society if they fulfilled certain conditions set out, as the explanatory note states, in section 80 of the Co-operative Credit Associations Act which conditions entitle them to a Treasury Board certificate; and, secondly, if this eligibility was exercised within a total period of three years. There is reference in the explanatory notes to section 82 of this act concerning this point.

We now come to the purpose of Bill V-5. In the initial three-year period the credit societies of three provinces qualified for registration and full participation in the Canadian Co-operative Credit Society Limited, the petitioner, namely: British Columbia, Saskatchewan and Ontario. The credit societies of four other provinces did not qualify, namely Alberta, Nova Scotia, Prince Edward Island, and Manitoba. However, several large co-operative organizations operating on an interprovincial basis have become members of this national Canadian Co-operative Credit Society Limited: for example, the Saskatchewan Wheat Pool, the Co-operative Life Insurance Company, Canadian Co-operative Implements Limited, Interprovincial Co-operatives Limited, and others.

The national organization, the Canadian Co-operative Credit Society Limited, has not yet commenced active operations. It has, however, elected its officers and directors, has accumulated substantial assets, and it is confidently expected that it will commence active operations this year, particularly when it is joined by Manitoba, whose eligibility, now in question, was automatically repealed by the operation of paragraph (c) of section 82 of the act, as set out in the explanatory notes.

Please note that the Co-operative Credit Society of Manitoba Limited was registered within the three-year period prescribed in paragraph (a) of section 82—and it is still registered as a shareholder on the books of the Canadian Co-operative Credit Society

Limited—but it did not, within the statutory three-year period, obtain from the Treasury Board the necessary certificate authorizing it to carry on business under section 80.

You will note that the sole purpose of this bill is to make the Co-operative Credit Society of Manitoba Limited declared again eligible to become a member of the Canadian Co-operative Credit Society Limited, as provided in clause 1 of the bill.

Clause 2 states how this renewed eligibility is to be repealed in accordance with the provisions of the general Co-operative Credit Associations Act.

If honourable senators see fit to give second reading to this bill I will move that it be referred to the Standing Committee on Banking and Commerce, where representatives of both credit societies and the Superintendent of Insurance will be available to answer questions of a more comprehensive or technical nature.

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

REFERRED TO COMMITTEE

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

DIVORCE AND ANNULMENT BILLS

SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill M-6, an Act for the relief of Donald Edmund O'Neill.

Bill N-6, an Act for the relief of Joseph Robert Gilbert Croteau.

Bill O-6, an Act for the relief of Eve Giasson, otherwise known as Lucien Giasson.

Bill P-6, an Act for the relief of Ingrid Malten Prokopp.

Bill Q-6, an Act for the relief of Edward Douglas Taylor.

Bill R-6, an Act for the relief of Jacqueline Waite Chew Keen.

Bill S-6, an Act for the relief of Stanley Smith Wilson.

Bill T-6, an Act for the relief of Marjorie Alice Holdron Thorbergson. (Annulment).

Bill U-6, an Act for the relief of Irene Kluchnyk Shyshko.

Bill V-6, an Act for the relief of Beatrice Lillian Sidaway Mudry.

Bill W-6, an Act for the relief of Bernard George.

Bill X-6, an Act for the relief of Helen Rose Bickerdike Ovenden.

Bill Y-6, an Act for the relief of Catherine Violet Mooney Leger.

Bill Z-6, an Act for the relief of Laurice Michel Malouf.

Bill A-7, an Act for the relief of Helene Victorie Monseur Sharpe.

Bill B-7, an Act for the relief of Kenneth Franklin Hallas.

Bill C-7, an Act for the relief of Joan Betty Mae Barnard Laframboise.

Bill D-7, an Act for the relief of Lemuel Alvin Henry Ward.

Bill E-7, an Act for the relief of Joseph Raoul Guy Felix Labelle.

Bill F-7, an Act for the relief of Gene Koklyte Gedvila.

Bill G-7, an Act for the relief of Lillian Martin Cyr.

Bill H-7, an Act for the relief of Ange-Aimee Jacqueline Lacoste Paquette.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until Tuesday, February 26, at 8 p.m.

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THE SENATE

Tuesday, February 26, 1957

The Senate met at 8 p.m., the Hon. Arthur L. Beaubien, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 194 to 204, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

H.R.H. THE PRINCE PHILIP

STYLE AND DIGNITY OF A PRINCE OF THE UNITED KINGDOM CONFERRED ON THE DUKE OF EDINBURGH

On the Orders of the Day:

Hon. W. Ross Macdonald: Honourable senators will already have noted with pleasure an announcement which appeared recently in the *London Gazette* that by virtue of letters patent Her Majesty the Queen has conferred upon His Royal Highness the Duke of Edinburgh the style and dignity of a Prince of the United Kingdom of Great Britain and Northern Ireland. This announcement further indicates that it is Her Majesty's wish that in future His Royal Highness should be known as His Royal Highness the Prince Philip, Duke of Edinburgh.

I am sure all honourable members will agree that the creation of His Royal Highness as a Prince of the realm is a well-deserved recognition of his devoted service to the Commonwealth and the Crown. He has been an exemplary figure as the representative of Her Majesty in many parts of the world. These duties are undertaken at great personal sacrifice when he must be absent from his family and his home. I am sure that this honour will find favour with all Canadians and indeed in every part of the world where allegiance is held to our beloved Sovereign.

Hon. Senators: Hear, hear.

PRIVATE BILLS

PERES OBLATS DE L'IMMACULEE CONCEPTION—FIRST READING

Hon. John J. Connolly presented Bill I-7, an Act respecting Les Reverends Pères Oblats de L'Immaculée Conception de Marie.

The bill was read the first time.

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

Hon. Mr. Connolly: Thursday next.

OBLATE FATHERS OF ASSUMPTION PROVINCE—REFUND OF FEES

Hon. John J. Connolly moved:

That the Parliamentary fees paid upon the Bill (T) intituled: "An Act to incorporate Oblate Fathers of Assumption Province" be refunded to Messrs. Allen, Hunter, Campbell and Regan, Toronto, Ontario, solicitors for the petitioners, less printing and translation costs.

He said: Honourable senators, I understand that this is the normal practice when petitions are presented to this house on behalf of religious organizations.

The motion was agreed to.

CANADIAN WHEAT BOARD BILL

THIRD READING

Hon. Norman P. Lambert moved the third reading of Bill 9, an Act to amend the Canadian Wheat Board Act.

He said: Honourable senators, I want to make just a few comments in moving the third reading of this bill. I should like to refer briefly to the discussion which took place before our Standing Committee on Banking and Commerce last week, when we had the benefit of the presence of Mr. Sharp, the new Deputy Minister of the Department of Trade and Commerce. I think he was very helpful in enlarging our understanding of this bill. The point which received his consideration particularly was one which had been raised in this house, and also before the committee, by the honourable senator from New Westminster (Hon. Mr. Reid) with regard to the Wheat Board's ban on the shipment of feed grain from one part of British Columbia to another through a part of the United States as the shortest route between the two points. It was an exceptional case in the experience of the board, and Mr. Sharp undertook to do his best to supply precise information about it. I called him today, in view of the expected third reading of the bill this evening, and he assured me that his department was looking into this problem and would eventually be able to furnish the desired information. That is the latest statement I could obtain on the matter.

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

CANADA COUNCIL BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

The Senate resumed from Thursday, February 21, the adjourned debate on the motion

of Hon. Mr. Macdonald for the second reading of Bill 47, an Act for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences.

Hon. Muriel McQ. Fergusson: Honourable senators,—

Hon. Senators: Hear, hear.

Hon. Mrs. Fergusson:—it was not my intention to give more than passive approval to the Canada Council Bill, as I expected it would receive unanimous acclaim in this house, but as some criticism of the bill has been voiced I feel that I should like to express my own wholehearted approval and support of it and give some of the reasons therefor.

For over a decade I have been a member of the governing Board of Regents of Mount Allison University in Sackville, situated on the Chignecto Isthmus that connects New Brunswick and Nova Scotia, and through this association I am keenly aware of the real economic crisis in the life of our Canadian universities, and particularly of our small universities which are not supported by Government funds. Owing probably to my association with this small university, where the arts are considered of the greatest importance, where for years music and painting have been and are now being taught to Maritimers and many, many others, and where the humanities and social sciences are rated very highly on the curriculum, I am deeply interested in the activities of the Canada Council.

In 1948 the alumni of Mount Allison, under the leadership of the Board of Regents, started an annual fund which at the end of 1955, the latest year for which figures are available, had raised \$343,846. This fund has helped to clear off the debt which existed in 1948, which was its first objective, but it is not adequate to provide for the new buildings which our growing registration demands.

Honourable senators, to show you that the Mount Allison alumni are trying to help the university, I should like to draw to your attention an article which appeared in the *Financial Post* of February 9 last about the annual contributions made by Canadian alumni to their colleges. It pointed out that the annual donation per member of the Mount Allison Alumni is \$24.63, which is considerably above the Canadian average of \$14.68 and is exceeded only by the annual donation of Queen's Alumni. It is certainly hoped and expected in the province of New Brunswick that additional funds can be raised by Mount Allison and our other small universities, so that they can receive the full amount of assistance by way of matching

grants to which they are entitled under the University Capital Grants Fund.

Although I certainly do not agree with the statement made last year by Mr. Alan Jarvis, the newly appointed Director of the National Gallery, after a tour of the Maritimes, that there was a general poverty of social and cultural life in the Maritime provinces, I do acknowledge that to train many of our talented young people and to make possible among all our people a wider enjoyment of the arts, humanities and social sciences, we in the Maritimes need the kind of help which the Canada Council is being created to provide.

It is hoped that the Canada Council will give assistance and encouragement to the Summer School of Arts held at Mount Allison. Although on a much smaller scale than the Banff School of Fine Arts, with which the honourable senator from Banff (Hon. Mr. Cameron) is connected and about which he has recently written a book, entitled *Campus in the Clouds*—on which I heartily congratulate him—Mount Allison's summer school is bringing to the people of the Maritimes an opportunity to study, enjoy and perhaps to produce works of art.

Honourable senators, I do not believe that only under conditions of poverty can artists produce works of art. There are many instances of successful painters, musicians and writers who grew up in homes of comfort and even of luxury. I refer to such persons: as Albert Spalding, the outstanding American violinist, who came of a wealthy family; Lord Byron; Ralph Waldo Emerson; Lord Robert Cecil, who wrote the wonderful biography on the life of Lord Melbourne; Dame Edith and Sir Osbert Sitwell; and a very familiar example, Sir Winston Churchill. It is true that while living in poverty some people have produced masterpieces, but I think it can be argued with justification that they did so in spite of their poverty rather than because of it.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fergusson: It is impossible to tell how much more those same persons might have left for posterity had it not been necessary for them to devote so much of their time to the struggle for existence. We do not know how many talented but poverty stricken persons have had their talents crushed and have produced nothing because they were unable to develop while so handicapped.

It is for that reason that financial support for students is so important. From the time of Pindar, the great lyric poet of ancient Greece, down to the present day, musicians

and artists have been subsidized by church and state and private patrons. We can think of Michelangelo, of Leonardo da Vinci, Mozart, Haydn, and many others who received such help, and they have added much to the world's treasures. A great man of the present day who was helped early in his career by a scholarship is Albert Schweitzer.

Therefore I support strongly the giving of scholarships by the Canada Council. From what I know of scholarship committees I doubt very much if any such scholarships will be given where they will permit the recipients to live in the ease, comfort or luxury which the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) considers might blight their endeavours.

My experience as a member of the War Memorial Committee of the Imperial Order of the Daughters of the Empire, which grants a large number of overseas and other scholarships annually, brought me in contact with many eager and often brilliant young people seeking further education. It was gratifying to know that we could give them some help, but frustrating to realize that there were many other suitable and deserving applicants who, through lack of scholarships, were denied the chance to develop to their maximum capacity.

A number of the men in Canadian public life have been assisted in the beginning of their careers by these I.O.D.E. Overseas scholarships. Honourable senators may be interested to know that among these are the present Minister of Citizenship and Immigration, the Honourable Mr. Pickersgill; Dr. A. W. Trueman, Commissioner of the National Film Board; the late well known commentator Matthew Halton; Dr. Watson Kirkconnell, President of Acadia University, and many others who have contributed much to Canada. And of course winners of other scholarships, such as the Rhodes Scholarships, are also making important contributions to our public life. One person who, I am sure, gives most of us a great deal of pleasure is Lois Marshall who was first started on her way through receiving such assistance.

The Canada Council Bill also provides for the granting of scholarships to persons in other countries for study and research in Canada. Other nations have been generous in providing scholarships for Canadians to study abroad. Since 1945 France has been awarding scholarships every year for study in France. These scholarships now number 40 each year and are available to the graduates of all Canadian universities. Sweden and Brazil have been making similar awards; and other countries, including Switzerland, Norway, and West Germany, have indicated

their wish to grant such scholarships if Canada will grant reciprocal ones. Honourable senators, there is no better way of promoting international friendship with these countries than by having our students live and study in them and by having their students live and study in Canada, and it is time that Canada was prepared to do her share to promote good public relations in this way.

Honourable senators, I am speaking longer than I would wish,—

Hon. Senators: Go ahead.

Hon. Mrs. Fergusson:—but before concluding I would like to express my pleasure that the Canada Council will be able to perform the functions of a national UNESCO Commission. Many organizations of which I am a member have for years regretted that Canada has no national UNESCO Commission and have wished that such a commission could be set up. I certainly welcome this provision.

A suggestion has been made in this house that it would be better if the responsibility for education were given back to the local municipalities, and if they had enjoined on them at the same time the burden of raising the necessary money. But surely, honourable senators, our hope is to give every child in Canada equal opportunities for education. When we think of the drastic variations in the financial resources of Canadian municipalities we realize that to give this responsibility back to the municipalities would penalize children in the poorer provinces and nullify the efforts that have been made through family allowances and in other ways to equalize opportunities for all Canadian children.

Honourable senators, I view the forthcoming operations of the council with a sympathetic spirit of understanding for the complex and difficult problems that it will necessarily face, rather than with the attitude of doubt and suspicion which the honourable senator from Toronto-Trinity expressed on Thursday last.

It seems to me that if many Canadians plan to watch with latent criticism the activities of the Canada Council, obviously expecting it to make errors for which it will be called to account before Parliament on the first opportunity, the council will find itself hampered in its work and unable to operate with the freedom which I believe Parliament intends to give it. The members of this council will be human beings, subject to error like all of us, but certainly everyone chosen for a position on that body will have shown unquestionable good will toward and an interest in the arts, the humanities or

social sciences and will do his or her best to see that the money at the disposal of the Canada Council is spent wisely, fairly, without favouritism and in accordance with the objectives of the bill.

It seems to me scarcely right to refer to the council as an irresponsible body, as was done earlier in this debate, for it is obvious that section 23 of the act provides adequate control by Parliament.

Honourable senators, I believe that the results of the work of the Canada Council will doubtless encourage the flowering of Canadian genius. But even if the Council should not be responsible for the production of great Canadian artists, musicians or painters, what is really more important is that it will undoubtedly raise the level of thought of the Canadian people. It will create among our people a deeper and more widespread understanding and appreciation of the arts, humanities and social sciences. It will make it possible for more people to have access to more culture, which will enrich their lives and make Canada a better and a happier country in which to live.

I heartily support the bill.

Hon. Senators: Hear, hear.

Hon. John J. Connolly: Honourable senators, for a lawyer to participate in a debate on a measure to stimulate and encourage the arts, the humanities and the social sciences is a rather formidable task, particularly in view of the number of experts in this field who are in this chamber. And while I must confess that before I heard the last speech I had not numbered among these experts the honourable senator who delivered it, I hastily revise my opinion, and include her.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly: Broadly speaking, a bill to provide for the encouragement and stimulation of the humanities is a new departure in this country. It is a modern development and device which has been adopted in recent years in the United Kingdom, in France, in Italy, and also, I understand, in Western Germany. The arts and the humanities, of course, have always needed financial support, and, as the honourable senator from Fredericton (Hon. Mrs. Fergusson) reminded us, support has come and continues to come from private agencies and wealthy individuals. In the older days it was mainly derived from royalty and the nobility. But times have changed, and with them the scope of tax legislation. Today there are severe limitations on the accumulation of wealth. I am not speaking critically, I am stating a fact. Succession duty legislation restricts the passing on of wealth from one generation

to another, and income tax legislation not only takes a considerable portion of personal incomes but a very large part of corporate incomes. In Canada tax levy on the larger corporations is approximately 49 per cent. In addition, corporate giving is restricted, as far as alleviation by way of allowance is concerned, to 5 per cent of the total taxable income.

While this bill is devised to assist and will assist the arts and the humanities, I think it is appropriate to point out that it will not by any means fully meet requirements for the development of the humanities in this country. As much as, if not more than, the present sum-total of private giving will be needed by the universities and other cultural agencies. A sense of social responsibility, and, too, the virtue of charity, must continue to be cultivated. In other words, agencies devoted to the humanities must continue to be supported by voluntary giving.

While this measure marks in some degree a new departure for Canada, this is not by any means the first time that assistance has been given from the federal treasury to scholarship. Research has played a very important part in our thinking, more particularly in the last 25 or 30 years, and considerable assistance has been made available from the national treasury to applied science, both for purposes of industry and of defence. During the war, and since, we have learned how important research is to both these pursuits. We are told, for example, of a great shortage of engineers in this country, and comparisons, sometimes unfavourable, are made in this respect between ourselves and the Russians. We are continually hearing reports of shortages of technical personnel. However, in looking at the estimates which are now before us, I note that large amounts are allocated for research and scientific purposes. For example, this year's estimates provide \$2,300,000 for the National Research Council, some \$64 million for the Defence Research Board, and nearly half a million dollars, in addition to the vote for the work of Atomic Energy of Canada, Ltd., for research in the field of atomic energy.

Besides this measure of support from the federal treasury, a good deal of money is spent by industry in the field of applied science, and of course a great deal of work on similar lines is done by our universities.

Apart from financial assistance in the field of applied sciences, much money is spent by the federal treasury for general education purposes. Grants this year to universities will amount to approximately \$16 million; the vocational training program under the

direction of the Department of Labour will involve an expenditure of \$10 million; veterans' vocational training, about one and a quarter million dollars; in addition to which an extensive program of educational assistance to veterans was provided for in the general veterans' benefits which became available after the late war. If, in the light of this background, we consider the measure before us, we may say that Canada has not been unmindful of its human resources.

In 1951 the body known as the Massey Commission issued a report, and supported it with a most interesting volume of supplementary studies. I think it is of great benefit to the Canadian Parliament and people to have available to them this most valuable and interesting document. It points up the importance to a nation of the things of the spirit. It was written in the background of the obvious fact that Canada has been bountifully endowed by Providence, that Canada is, relatively speaking, a wealthy country.

Pioneers pushed back the frontiers, and pioneers are still pushing back geographical frontiers in this country, particularly in the north. But there are new horizons in industry and in commerce that are constantly being opened up and enlarged by enterprising people in this nation. So we have this background of economic well-being all around us. I do not say our economy is perfect or that there may not be soft spots in it. But we are experiencing economic well-being, and in that respect we are the envy of many other nations. It seems appropriate that in this background of economic well-being we have come to realize—and I think the Massey Report points this up—that a nation, like an individual, does not live by bread alone.

It has occurred to me there are many parallels in history appropriate to guide us in the way we should proceed, and perhaps none is more appropriate than Victorian England. Those were days of the power and the glory, of the commercial and industrial supremacy of that realm, and of the consolidation of empire.

Hon. Mr. Roebuck: And of the poverty of the workers.

Hon. Mr. Connolly: That is very true. Yet I think in that country, as in many others, great strides have been made for the betterment of the worker and of the people generally. I think this measure emphasizes the fact that strides can be made in the field of the humanities too for the betterment of all. But the strides taken in Victorian England in the humanities were great, particularly in the field of letters. If I may be

so bold as to say so, I think that achievement was a more enduring one than the industrial and commercial supremacy built by the people of that day.

In the field of letters they had poets like Tennyson and Browning, historians like Acton and Macaulay, scholars like Newman and Darwin, and such women as Elizabeth Barrett Browning, the Brontës and Eliot. In fiction I wonder if we have as lovable characters in our writing of today as Sam Weller, Mr. Micawber, Mr. Pickwick and even Long John Silver. In the field of historical novels, a little before the Victorians, there was the work of Scott who changed his medium from poetry to that of prose. Scott, a remarkable person, has been a great figure in the literary world. Amazing to relate, his earnings from writing enabled him to pay off tremendous personal debts and those of his publishers as well.

Victorian writers had an audience which was much more restricted than the audience that is available to modern writers. Nowadays the audience is bigger because schooling is wider. But today's audience is much more distracted than its predecessor. The Victorian audience did not have the motor car, the TV, the radio, the movies, and the organized entertainment and sport of today. So the man who was engaged in letters could cater to an audience and expect it to react to him much more actively than is the case at present. The development in the field of the humanities in those times was a most remarkable one, and curiously enough it was provided with very little sponsorship and certainly almost no public sponsorship. Those literary people were mainly self-sustaining. What I have said about Victorian times could be said of other times and of other countries. Perhaps we need not go so far afield either.

In our own country university people have dedicated their lives to the humanities, as the honourable senator from Fredericton has just pointed out. I think we might do well to look at the achievements made by our friends in the small colleges in the province of Quebec, where the arts and the humanities were, almost to the exclusion of the applied sciences, the important features of their system of higher education.

Honourable senators, I do not suggest that we must emulate the Victorians in all things. But I do say that what is proposed by this measure is an investment in the things of the spirit in a country and in a parliament that have perhaps been more engaged with material things than with those of the mind. We should remember that what we provide here are not ends in themselves, but are the means with which to build a better type of citizen and a better fabric of Canadian citizenship.

I agree with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that proper management of the affairs of the Canada Council will be important. I am glad to see that a check is provided in that this council must report to Parliament. I would hope that political considerations would not influence the activities of the council. I do not say there may never be a danger of that, and I would even suggest that in this chamber, where political feeling does not run deep, we might have a special interest in seeing to it that political considerations do not govern in the direction of the affairs of the council.

Honourable senators, I have spoken a little of Victorian times and perhaps at the risk of being slightly out of order I could refer to those times again, for this bill does deal not only with the arts and the humanities, but with the social sciences as well. One social science which reached its apogee in that period was the science of parliamentarianism, if I may call it that. The Victorian age was the golden age of parliament and it was so because it was created and sustained by the character and interests of the people who were dominant on the parliamentary scene. Many, if not most, of those men were the products of the two great English universities of that time. I think of men like Balfour, who was a prime minister and yet a recognized figure anywhere in the world in the field of philosophy; or of Gladstone, not only a great prime minister and a great chancellor, but an authority in the field of classical studies, and certainly a redoubtable opponent in the difficult field, for a layman, of theological controversy; or Disraeli, who took his first steps toward prominence in public life as the result of his work as a writer; and, finally, of Rosebery, Gladstone's successor—a man who, perhaps more than any of the others, could create the great occasion, whether parliamentary or historical or literary. He left writings on men like Burns, Dr. Johnson, Thackeray, Burke and Peel which are classics in themselves. But there were others, not prime ministers—men like Morley, Gladstone's biographer, who became a great parliamentarian, and an expert in the theory of parliamentary government; and Bryce, the historian of the Holy Roman Empire, who also wrote the classic work on the United States Constitution and, as honourable senators well know, the Bryce Report on Second Chambers, the outstanding document on the functions of second chambers in parliamentary organization; and Justin McCarthy, a member of the Parnell party, and also a member of Gladstone's party, who wrote political sketches and reminiscences. The men of whom I have spoken were, so

to speak, professional writers. But many members of the British Parliament of that time wrote biographies, memoirs, reminiscences and sketches of their contemporaries in parliament and elsewhere in the public life of that country. Their writings provided the raw material of their national history. They were the creators of an atmosphere for the ideal operation of parliamentary institutions. They stimulated and encouraged young men to enter public life. Honourable senators are probably familiar with Belloc's quatrain about the politician, which runs this way:

Here, richly with ridiculous display

The politician's corpse was laid away.

While all of his acquaintance sneered and slanged
I wept, for I had longed to see him hanged!

Now, that could not be said of the great parliamentarians I have mentioned. It may perhaps be true of some politicians since, but not of them, I think.

Hon. Mr. Farris: Not of senators!

Hon. Mr. Connolly: Not of senators, I hope.

Perhaps some honourable senators have read a recent contribution made to a learned journal by the honourable gentleman from Gulf (Hon. Mr. Power). In that most engaging piece of work he described the change in the character of the member of parliament. Whether or not he would include senators in his description, I do not know. But I do hope that the change will not be so drastic that the parliamentarian, either of today or of the future, will ignore the principles of the Victorian parliamentary tradition, and particularly the literary side of that tradition.

Honourable senators, if I have a plea to make, it would be that more of our parliamentarians contribute to that tradition, not in the writing of encyclopaedic histories of their time or of the country, but in memoirs, reminiscences and sketches of people whom they knew, and of parliamentary institutions and parliamentary events. I think that would provide a better atmosphere for the working of the parliamentary process, and as well be an inspiration for young men who might be induced to embrace public life. We have had some of it in this country. Perhaps the outstanding figure in that respect was D'Arcy McGee, who was not only a writer of great prose, but a speaker of great prose. He was also a writer of poetry. Mr. Meighen is also an example of one who has published.

Honourable senators, without naming persons in this chamber, I may say that many others have made fine contributions to our history, but I submit that not enough have done so. Senators, both past and present, have written works on law, economics, and history. Quite recently an excellent text was published

by one of our members on the grassroots history of the southern part of one of our western provinces. Others have contributed substantially in the field of journalism. I would plead for many more contributions of this kind—and not only by gentlemen on the front benches, although many of them are eminently capable of making such contributions.

Hon. Mr. Quinn: The back benchers are doing all right this evening!

Hon. Mr. Connolly: The premature death of an experienced public man is always a national calamity. That was so true of the friend of so many of us, the Honourable Angus Macdonald. I have on the wall of my office a framed copy of three paragraphs from the peroration of the last address he delivered in the House of Commons in 1945, as he left the Navy. The prose of those paragraphs is so excellent that it might well be termed poetry. But I did not need this passage to know how great was his literary talent. Had he lived, his writings, I think, would have been worthy of the great literary and parliamentary tradition of which I have spoken. If I may come back to my earlier point, I hope we shall not have occasion to say of many members of this chamber, after they have gone, "What a pity they did not write."

Hon. Senators: Hear, hear.

Hon. A. K. Hugessen: Honourable senators, I think it is a matter of considerable temerity for any honourable senator to attempt to address this chamber this evening after the two excellent addresses that we have just heard. I would not have risen to take part in this debate had it not been for the challenge which seemed to me to come from the remarks of the two honourable senators who spoke last Thursday, the honourable senator from Blaine Lake (Hon. Mr. Horner) and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), both of whom opposed this bill. I noticed that the honourable senator from Toronto-Trinity took a great deal of pride in the fact that he was not going to jump on the band wagon and get the kudos and prestige which he might thus obtain by voting in favour of a public measure of this kind. Well, I am going to jump on the band wagon, however ill he may consider that to be on my behalf,—

Hon. Mr. Roebuck: I wish you a good time.

Hon. Mr. Hugessen: —and I say to this house that I strongly support the measure.

Speaking in a general way, honourable senators, this measure seems to me to be

a step in the right direction. We have reached a stage in this country where for many years past we have been very successfully engaged in the physical and material development of the country; and the time has now come when we should begin to pay more attention to matters of the mind and the spirit. That seems to me to be a basic reason for my desire to support this bill.

Honourable senators who have preceded me in the debate have said most of the things that need to be said about the bill. I wish to confine myself to one or two considerations relating principally to the universities of the country. The honourable senator from Alma (Hon. Mr. Molson) and I happen to be governors of McGill University, and in speaking for that university I have the very good precedent of my honourable friend the Leader of the Opposition (Hon. Mr. Haig) who spoke for the University of Manitoba, and the honourable senator from Fredericton (Hon. Mrs. Fergusson) who spoke for Mount Allison University.

I believe one of the most valuable contributions to come out of the Canada Council will be the granting of scholarships to bright students who might not otherwise have the chance to pursue a university career, and those who will engage in research in the fields of the arts and the humanities.

Generally speaking, there are in this country very many fewer scholarships granted than in other countries. The difference between Canada and Great Britain in that respect is astounding. I do not know what the proportion is, but certainly a very much larger proportion of the students who attend universities in Great Britain enjoy scholarships of one type or another than is the case in Canada. In comparison with the scholarships available to the intelligent in England, we in Canada have so far fallen lamentably behind. I believe that the income from the fund to be set up under this bill, if it does nothing else, will justify itself if it provides additional scholarships for those who intend to engage in the arts and humanities. Honourable senators well know that it is much easier to obtain scholarships for science and industry than it is for such purposes as this bill would cover; the field of scientific research is wide open in the sense that students engaged in this type of research can obtain help from a large number of industries, and in many cases by way of grants from provincial governments. So, in that respect alone, the Canada Council will, I think, justify itself if it increases the number of scholarships available for the purposes set out in the bill.

I should like to turn for a moment to the second part of the bill, which deals with University Capital Grants Fund, and which provides the sum of \$50 million to be voted over a period of years for the assistance of capital projects by our Canadian universities. One feature of this legislation which appeals to me is that it provides that when grants are made they must be matched by funds from other sources. In other words, if a grant of \$500,000 is made out of the fund, it is made only on the basis that an equal sum has come from some other source for the particular project. So this is an encouragement to other people to help support our universities by making capital contributions to them in order that they may qualify for a capital grant from this fund.

Now, every honourable senator who is familiar with the present conditions and immediate prospects of our universities knows very well that they are faced with immense capital expenditure over the next few years. It is estimated that within, I think, the next ten years the number of students seeking entry to our universities will increase by at least 50 per cent. That means that the universities have now got to plan for the increased accommodation, new buildings, and additional equipment which these prospective students will require. This proposed University Capital Grants Fund will be a source from which our universities will derive great encouragement in their attempt to provide the physical assets which will be necessary when the expected additional students enter university.

I must say that I did not agree with the honourable senator from Toronto-Trinity when he put forward the idea that this sort of grant should be made entirely through the provinces.

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

Hon. Mr. Hugessen: I understood my honourable friend to say that it should be done by the provinces rather than by the federal authorities.

Hon. Mr. Roebuck: No, that is not so. So far my honourable friend and others have talked about the advantages of scholarships and the needs of our universities. These questions do not touch on the point I made at all. What I criticized was the proposed means by which public money would be handed out by private individuals. So far, no one has justified the proposed action in that respect.

Hon. Mr. Hugessen: I may have misread my honourable friend's remarks.

Hon. Mr. Roebuck: I spoke about the advantage of leaving education in the hands of the provinces. I still maintain that belief, and it is pretty well acknowledged in our whole community.

Hon. Mr. Hugessen: I am not sure that that is not a distinction without a difference. In any event, the honourable Leader of the Opposition did say in his remarks that these grants might better be handled through the provinces. The trouble with that proposal would be that the universities in the more wealthy provinces would get the greater proportion of the capital funds they required, while universities in the poorer provinces would get much less than they required. That in itself seems to me to be an argument for centralizing these grants in a federal fund of this kind. I believe that was the argument put forward by the honourable senator from Fredericton (Hon. Mrs. Fergusson) in her remarks earlier this evening.

Hon. Mr. Roebuck: Is that not an argument for equalization of grants as between the provinces rather than for appointment of a council to do the job of equalizing?

Hon. Mr. Hugessen: I am afraid I do not quite understand what my honourable friend means. If he means that the federal authorities should give equalization grants to the provinces to equalize their revenues, there may be an argument for that; but what we are particularly interested in, in this case, is the support of university education, and a mere generalized grant to the provinces without any indication of where it is to go would not achieve that purpose.

Hon. Mr. Roebuck: I did not use the term "generalized grant".

Hon. Mr. Hugessen: In any event, I must say that I think this University Capital Grants Fund will be of great utility. It will help our universities to meet an urgent capital need, and for my own part I am very strongly in favour of the bill and particularly of that section of it.

Hon. Mr. Haig: May I ask the honourable senator a question? I do not think that I said what he attributed to me. How are you going to make this council distribute the money? There is nothing in the bill to prevent it from doing as it likes.

Hon. Mr. Hugessen: The honourable senator should read section 17 of the bill. The council is limited in making grants out of the University Capital Grants Fund in any province to an amount that is in the same proportion to the aggregate of the amounts credited to the fund as the population of

that province is to the aggregate population of the other provinces. It is strictly limited.

Hon. Mr. Haig: That gives the big provinces the greatest amount of money and the little provinces nothing.

Hon. Mr. Hugessen: No, no.

Hon. Mr. Haig: That will be the effect.

On motion of Hon. Mr. Pouliot, the debate was adjourned.

DIVORCE AND ANNULMENT BILLS

THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill M-6, an Act for the relief of Donald Edmund O'Neill.

Bill N-6, an Act for the relief of Joseph Robert Gilbert Croteau.

Bill O-6, an Act for the relief of Eve Giasson, otherwise known as Lucien Giasson.

Bill P-6, an Act for the relief of Ingrid Malten Prokopp.

Bill Q-6, an Act for the relief of Edward Douglas Taylor.

Bill R-6, an Act for the relief of Jacqueline Waite Chew Keen.

Bill S-6, an Act for the relief of Stanley Smith Wilson.

Bill T-6, an Act for the relief of Marjorie Alice Holdron Thorbergson. (Annulment).

Bill U-6, an Act for the relief of Irene Kluchnyk Shyshko.

Bill V-6, an Act for the relief of Beatrice Lillian Sidaway Mudry.

Bill W-6, an Act for the relief of Bernard George.

Bill X-6, an Act for the relief of Helen Rose Bickerdike Ovenden.

Bill Y-6, an Act for the relief of Catherine Violet Mooney Leger.

Bill Z-6, an Act for the relief of Laurice Michel Malouf.

Bill A-7, an Act for the relief of Helene Victorine Monseur Sharpe.

Bill B-7, an Act for the relief of Kenneth Franklin Hallas.

Bill C-7, an Act for the relief of Joan Betty Mae Barnard Laframboise.

Bill D-7, an Act for the relief of Lemuel Alvin Henry Ward.

Bill E-7, an Act for the relief of Joseph Raoul Guy Felix Labelle.

Bill F-7, an Act for the relief of Gene Koklyte Gedvila.

Bill G-7, an Act for the relief of Lillian Martin Cyr.

Bill H-7, an Act for the relief of Ange-Aimee Jacqueline Lacoste Paquette.

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

EXPORT AND IMPORT PERMITS BILL

SECOND READING

Hon. J. W. de B. Farris moved the second reading of Bill C, an Act to amend the Export and Import Permits Act.

He said: Honourable senators, this is a very short bill and, on the face of it, a very simple one, but there are some features of it that require explanation. I may say that I find myself a little embarrassed in dealing with it at this late hour and after the most interesting and eloquent speeches we have had on another subject.

The bill is entitled "An Act to amend the Export and Import Permits Act", and the amendment proposed is that the operation of this act be continued for another three years. Without this amendment the act would expire sometime in the spring or early summer of the present year.

This bill must be considered from two standpoints. First, we must have some understanding of the underlying act itself which we propose to extend, because otherwise there would not be much sense in extending it. In the second place, we must have some appreciation of why a temporary statute which had been originally passed as a war-time measure should be extended at the present time.

As honourable senators know, the purpose of the Export and Import Permits Act is to control the export and import of certain articles. This legislation was first dealt with in war time under the War Measures Act and later under the National Emergency Transitional Powers Act. Then in 1947 the Export and Import Permits Act, similar to the act now on the statute books was introduced and passed. The present statute was enacted in 1954, in substantially the same terms as the 1947 act, but with some changes and improvements. I want to explain very briefly the provisions of the act of 1954 which it is now proposed to continue for another three years.

That act is divided into three parts. First, it controls the exports of certain commodities, and their export to certain countries, and secondly, it controls the importation of certain enumerated commodities. The third part deals with the details and working out of these provisions, including penalties. I will indicate what is embraced in these three

divisions. First, the control of exports. You will find these dealt with in three sections of the 1954 act. First:

3. The Governor in Council may establish a list of goods, to be called an Export Control List, including therein any article the export of which he deems it necessary to control for any of the following purposes, namely,

(a) to ensure that arms, ammunition, implements or munitions of war, naval, army or air stores—

and so on, may be controlled.

(b) to implement an intergovernmental arrangement or commitment; or

(c) to ensure that there is an adequate supply and distribution of such articles in Canada for defence or other needs.

With these should be read sections 7, 13 and 15 of the act. Section 7 provides:

7. The Minister may issue to any resident of Canada applying therefore a permit to export goods included in an Export Control List or to a country included in an Area Control List . . .

Section 13 states:

13. No person shall export or attempt to export any goods included in an Export Control List or any goods to any country included in an Area Control List except under the authority of and in accordance with an export permit issued under this act.

I wish now to call attention to section 4. I have dealt so far only with goods: in a moment I shall give some of the types of goods to which a prohibition applies in the absence of a special permit.

4. The Governor in Council may establish a list of countries, to be called an Area Control List, including therein any country the export of any goods to which he deems it necessary to control.

There is an order in council which deals with articles the export of which is prohibited except under permit. It appears in the *Canada Gazette* dated January 2, 1957, with a group of articles which are called strategic, and which are essentially concerned with war measures and for the safety and protection of the country. The articles which are deemed necessary and may be utilized as instruments of war if the occasion should arise are quite numerous. Some of them may not seem of much consequence, but I am instructed by the department that their importance for the purpose that I have mentioned is the basis on which they have been selected and enumerated. For instance, there are pneumatic tire cases which are not used for ordinary commercial purposes at all, but are essential in war production; there are boring and drilling machines for the same purpose; also lathes, other metal-working machinery, vacuum pumps of a particular type, and so on and so forth. In connection with the same legislation there is published a list of metals which in their natural state cannot be used for strategic or military purposes, but which are essential to the construction of

machinery or other elements of war production. It includes magnesium, molybdenum, nickel, titanium, tungsten, and various other articles of that nature.

As regards the countries which are known as "area controlled countries", there is quite a list in another issue of the *Canada Gazette*, dated January 26, 1955; it embraces only Russia and its satellites.

As regards imports, which are dealt with in section 5 of the act, I think I can limit my reference to them by saying that the only provision which is effective today is that which empowers the prohibition of an article the price of which is controlled by Canadian legislation; and I understand that the one article so prohibited is butter.

Honourable senators will observe from the provisions of this section that the Governor in Council may establish a list of goods the importation of which it is deemed necessary to restrict. This purpose is achieved by prohibition unless a permit has been obtained. In other words, the permit is the basis upon which any exportation or any importation under this act shall be permitted.

The only other item which I wish to mention has to do with penalties. The penalties are very severe. Some of the fines are as high as \$25,000; and imprisonment, following indictment and conviction, may be for as long as five years. The maximum penalty need not be imposed, but the threat is there, and has been since the act became law. I do not think I need concern myself any longer with that matter. If the legislation is good, these penalties are proper; if it is not good it should be rejected.

With these observations I come to the amendment contained in this bill, which provides simply that the act which was passed in 1954 shall be continued in force for another three years. That involves consideration of two questions. First, should there be any such legislation at all? Second, if there is to be such legislation, should the powers thereby vested in the Governor in Council be continued for a further period?

In essence, the subject-matter is emergency legislation, first adopted in wartime, when the "hot war" was on. Three years ago this house and the other place found it necessary to continue the operation of the act because it was felt that an emergency still existed; and it is my submission to you that the emergency of the "cold war" as it exists today is almost if not quite as serious as were the wartime conditions which originated this legislation. I do not suppose there is an honourable senator here who, reading day by day during the past weeks of what is going

on abroad, is not gravely concerned about the safety of the world, and the danger of another and more grievous war than humanity has ever known.

So, honourable senators, I think we may start with this proposition, that if the legislation we are considering was justified in 1947, if it was justified in 1954—and this house, having considered the bill in committee, was satisfied that it was—it is no less, and is probably more, timely now, in view of the grave situations which threaten us at present.

No other method of handling this kind of legislation is possible. Last year some 10,700 permits were required to be issued. In 1948 approximately 113,000 permits were issued and by 1953 the number had been reduced to 26,600. As a result of better organization and greater co-operation between merchants, manufacturers and departments, the number of permits required to be issued was reduced to 10,700 in 1956. This does not mean that control has been lessened; only that the requirement for issuing permits has been lessened.

It would be impossible for Parliament to deal with even the minimum number of permits that have been issued in any one year, namely, 10,700. The only thing is for Parliament to delegate this power for issuing permits, and the most responsible body to which this power could be delegated is the Governor

in Council, who at all times is responsible to Parliament. I submit that if three years ago this house acted correctly in giving this legislation almost unanimous approval, and if the other house was right in endorsing it, then Parliament is equally justified in approving it now. The legislation is just as necessary now as it was three years ago, and therefore I would ask honourable senators to give it their favourable consideration.

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

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

Hon. Mr. Farris: Next sitting.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 181 to 193, which were presented on Thursday, February 21.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 27, 1957

The Senate met at 3 p.m., the Hon. Jean-Marie Dessureault, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

PRIVATE BILLS

GOVERNING COUNCILS OF SALVATION ARMY—
REPORT OF COMMITTEE

Hon. John A. McDonald, Acting Chairman of the Standing Committee on Miscellaneous Private Bills, presented the report of the committee on Bill U-5.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred the Bill (U-5) intituled: "An Act respecting The Governing Council of The Salvation Army, Canada East, and The Governing Council of The Salvation Army, Canada West", have in obedience to the order of reference of February 21, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

ALLIANCE NATIONALE—REPORT OF
COMMITTEE

Hon. Mr. McDonald presented the report of the Standing Committee on Miscellaneous Private Bills on Bill T-5.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred the Bill (T-5) intituled: "An Act respecting Alliance Nationale", have in obedience to the order of reference of February 19, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

KINGS MUTUAL INSURANCE COMPANY—
REPORT OF COMMITTEE

Hon. Mr. McDonald presented the report of the Standing Committee on Miscellaneous Private Bills on Bill A-5.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred the Bill (A-5) intituled: "An Act to incorporate The Kings Mutual Insurance Company", have in obedience to the order of reference of February 19, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

NORTH WATERLOO FARMERS MUTUAL
INSURANCE COMPANY—FIRST READING

Hon. T. A. Crerar presented Bill W-7, an Act to incorporate The North Waterloo Farmers Mutual Insurance Company.

The bill was read the first time.

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

Hon. Mr. Crerar: Tuesday next.

DIVORCE BILLS

FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill J-7, an Act for the relief of Joseph Adelard Gerard Leclaire.

Bill K-7, an Act for the relief of Thomas Jeremie Foulds.

Bill L-7, an Act for the relief of Evelyn Gladys Douglas Fox.

Bill M-7, an Act for the relief of George Johnstone Gray.

Bill N-7, an Act for the relief of William Ross Macdonald.

Bill O-7, an Act for the relief of Marie Therese Ibbotson Collins.

Bill P-7, an Act for the relief of Donna Ruby Stallworthy Black.

Bill Q-7, an Act for the relief of Mildred Edith Shaw Boulard.

Bill R-7, an Act for the relief of Shirley Edythe Fairlie Scarff.

Bill S-7, an Act for the relief of Lily Stall Dixon.

Bill T-7, an Act for the relief of Hazel Gladys Rees Webb.

Bill U-7, an Act for the relief of Violet Kert Hausman.

Bill V-7, an Act for the relief of Angelina Szpilakowska Rzasa, otherwise known as Angela Szpilakowska Rzasa.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

EXPORT AND IMPORT PERMITS BILL

THIRD READING

Hon. J. W. de B. Farris moved the third reading of Bill C, an Act to amend the Export and Import Permits Act.

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

CANADA COUNCIL BILL

MOTION FOR SECOND READING— DEBATE ADJOURNED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Macdonald for the second reading of Bill 47, an Act for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences.

Hon. Jean-François Pouliot: Honourable senators, it is our pleasure today to see the honourable senator from Stadacona (Hon. Mr. Dessureault) in the Chair. I am sure he will be faithful to the fine British parliamentary practice which has been maintained by His Honour the Speaker and which has been followed closely by his distinguished predecessors in the Chair.

The matter before the house is one which has provoked academic debates. The speeches which have been made were most interesting and deserve special mention. They show the interest which the members of the Senate have in matters of education.

As this bill is entitled an Act for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences, at the outset I must say a word of what has been accomplished in the province of Quebec, and in this country as a whole, by the priests who have devoted their lives to the education of youths.

The first speech that I was invited to make outside of Parliament, after my first election, was in 1925. I was invited to address the

Lions Club at a local hotel, and in that speech I told them about the accomplishments of the Quebec colleges in matters of education. I reminded the members of the club of the veneration, the grateful veneration, that I had for Monseigneur Mathieu, the former Rector of Laval University who was then the Archbishop of Regina. He was a contemporary of my father and he was most kind to me, as he was to all other students of the university and he neglected no opportunity to help the students even after they had completed their classical course. He had a big heart, he was a great gentleman, he was a real father of education. He received a nominal salary of \$100 or \$200 a year.

When the Duke of York, who was afterwards His Majesty King George V, came to visit Quebec City on the occasion of the tercentenary of its foundation, the only visit that he paid was to the priests of the Quebec Seminary at their farm at St. Joachim, near Quebec. On the way from Quebec to St. Joachim all the houses were decorated with flowers. People lined the road, applauding the Duke and Duchess of York. The Duke was very much surprised, and he asked Monseigneur Mathieu, who was accompanying him, "How is it that these French Canadian Catholics have so much respect and affection for the British crown, the British royal family?" Monseigneur Mathieu answered him: "Your Royal Highness, the very reason why the French Canadians have so much respect and affection for you and for the royal family is that they are true to their traditions. They are good Catholics, and their religion teaches them to respect the authorities."

Among the professors at our Quebec Seminary was Monseigneur François Pelletier, afterwards Rector of Laval University. He was a professor of languages, and had studied Greek at Athens. There was Monsieur Camille Roy, who was the Rodolphe Lemieux of the clergy at the time—he was a gifted speaker—and there were many other priests who had studied in Europe. Foremost among them was Monseigneur Louis-Adolphe Paquette, who was a friend of my father. He had studied in Rome, and his books were distributed to students of theology and philosophy throughout the world. He was a man whose kindness I will never forget. It was in this atmosphere that we learned our humanities. We learned them the hard way, because the professors had to repeat the same things to young students who were often absent-minded. But I remember with gratitude and affection each one of those professors. Because of unavoidable circumstances I had to continue my course at the college of St. Anne de la Pocatière, and there we had other priests who were sent

abroad and to various American universities for post-graduate courses. There was Monsieur Lebon, afterwards a Superior of the College, who studied philosophy at Louvain University under the great Cardinal Mercier, the Archbishop of Malines, as no doubt you know; and there was Monseigneur Mercier, a personal friend of mine, who went abroad to study the languages and the humanities at the Institut Catholique de Paris under Monsieur Beaudrillart, who was a Member of the French Academy, and other distinguished professors.

There were many men there who had made the sacrifice of their lives to promote education among youths. You may not be astonished if, at times, a former student of the province of Quebec in those colleges where secondary education is given quotes incidentally some Greek or Latin texts. It is not a pose on his part, it is just a remembrance, a reminiscence of happier days. So that is what happened in the province of Quebec with regard to the teaching of humanities.

I know that it is not only in colleges under the direction of priests that humanities are taught. Instruction in them is given in many other institutions in the province of Quebec and in Canada at large. I may mention McGill, and also Bishop's University at Lennoxville, whose head I call "my favourite Chancellor". The study of the humanities is not in its beginnings; it has existed for nearly three centuries in the province of Quebec, since the foundation of Quebec Seminary in the 17th century by Monseigneur de Laval, and since the establishment of the school directed by the Jesuit Fathers and the Recollet Fathers in the city of Quebec, and later on, in Montreal: and I must pay homage to the Messieurs de St. Sulpice for the magnificent work they have done in the city of Montreal and its vicinity. They taught not only the humanities, but philosophy and theology. I am proud to say that His Eminence Cardinal McGuigan, who was born in Prince Edward Island, completed his studies in the Quebec Seminary, and under the tuition of Monseigneur Paquet and other professors to whom I referred a few moments ago.

That is the position in the province of Quebec. I do not say that we do better than is done anywhere else, but I do say that our province has every reason to be as proud as any other of its accomplishments in matters of education.

Hon. Senators: Hear, hear.

Hon. Mr. Pouliot: I am grateful to the honourable Leader of the Government (Hon. Mr. Macdonald) for the references he made in his speech to the universities and to the work of voluntary organizations on national,

provincial and local levels. On the national level, students who do well in any of the institutions of learning in Canada serve not merely themselves, not merely their own province, but our country, Canada, as a whole. If that is the meaning the honourable gentleman intended to convey when he spoke about the national level, I agree with him. There is one comment he made, however, that should have special attention drawn to it. It is this:

I think it speaks well of Canada and of our people that while we have wrested our wealth and national heritage from the land to which our forefathers came, we still have found occasion, through our universities and through voluntary organizations operating across the country, not only to keep alive but to cherish and develop our spiritual growth as it is expressed in the arts, humanities and social sciences.

Incidentally, I would put the term "social sciences" in parentheses because I do not believe in them. But that is a personal opinion. The honourable Leader of the Government went on to say:

This belief has been expressed by the foundation and development of our universities and by the work of voluntary organizations at the national, provincial and local levels.

This is very nice and I agree with it, but with the reservation I have made. Later the leader went on to comment:

I think we may take some pride in the fact that less than a century after Confederation we come to consider a measure of this kind.

I am sorry, but I cannot agree with the honourable leader there, and I say so in this chamber where freedom of speech is so great.

I cannot quote the entire speeches of all honourable senators who took part in this debate, but I have underlined those parts I consider to be vital and the most important to draw to the attention of the house.

The honourable Leader of the Opposition (Hon. Mr. Haig) spoke as follows:

It seems to me that the additional money needed by the provincial universities should be raised by the provinces themselves, not by the dominion Government. That is, the tax base upon which the dominion Government levies this money should be shifted to the provinces, so that it will be their function to determine how, as between public schools, high schools, and universities, the revenues should be divided. This seems to me to be fundamental. It was always understood that under the British North America Act education would be under the control of the provinces. I am not taking sides in this issue; I know how much dynamite it holds; but it is my belief that Parliament, however right it may be on many other issues, has been mistaken in its handling of this question.

I agree with that statement, but I am sorry to have to disagree with the conclusion reached by the honourable Leader of the Opposition.

Next I want to refer to some remarks made by the honourable senator from Banff

(Hon. Mr. Cameron), who is Director of the Department of Extension, University of Alberta, and Director of the Banff School of Fine Arts. He said, in part:

Another point is that there should not be too much artificial stimulation of the arts. One of the most difficult tasks the members of the council will have is in dealing with the veritable blitz of proposals of every kind and description that will be submitted to it. The task of selecting those which are practical, fitting and fruitful will not be an easy one.

I agree with that statement, but I am sorry that I cannot agree with the following statement he made:

I say in conclusion that I feel this is a red-letter day for the arts and humanities of Canada.

Then my honourable and congenial friend from Blaine Lake (Hon. Mr. Horner) spoke in part as follows:

I believe that art, together with everything pertaining to it, is something that springs up in a person or nation in spite of any obstacle. It cannot be bought with money. We have come to regard money as the most important thing in life, and so long as we remain in that state of mind we will not advance in the arts or the humanities.

How true!

And then my honourable colleague from Toronto-Trinity (Hon. Mr. Roebuck) expressed his views. I cannot refer to everything he said, but I would quote these remarks:

At the moment I do not feel like doing that; indeed, I am rather inclined to be doubtful as to the future of the Canada Council.

A little further on he stated:

I am sure I would be happier if this money were to be expended directly under the control of Parliament rather than by irresponsible appointees who are not even civil servants.

I agree with him in that comment. However, I have a certain doubt as to another part of his speech, where he said:

I see no advantage at all in shifting the burden of taxes which go to the support of education first from the local municipalities to the province, and then from the province to the dominion. I think the Fathers of Confederation were quite wise in giving that responsibility to the local municipalities and imposing upon them the burden of raising the money.

That statement calls for some comment, for according to our Constitution, the British North America Act, the field of education comes under the exclusive jurisdiction of the provinces. In the first place, taxes levied for education belong to the school boards, and if the school boards cannot get enough money from the taxpayers to meet their costs they can then appeal to the provincial Government, which is supreme in matters of education. With regard to their shifting from the provinces to the dominion, I agree entirely with the honourable gentleman.

It is very nice to be in a place where it is possible to agree and to differ, and this country will be a really civilized country as long as it is possible to differ from someone without insulting him.

My honourable and learned friend the honourable senator from Winnipeg (Hon. Mr. Wall) said something that I am very sorry to be unable to agree with. He said:

We hope that doubts and uncertainties expressed by some honourable senators will be resolved by the statesmanlike policies worked out by the Canada Council.

I do not believe that it can be done by the Canada Council, and again I am very sorry to have to differ with the honourable gentleman.

Now I come to our honourable and gracious colleague from Fredericton (Hon. Mrs. Fergusson). She deserves the more recognition because she has been a member of the governing Board of Regents of Mount Allison University, in Sackville, for many years. I listened to her speech with deep interest, and I agree entirely with this statement by her:

My experience as a member of the War Memorial Committee of the Imperial Order of the Daughters of the Empire, which grants a large number of overseas and other scholarships annually, brought me in contact with many eager and often brilliant young people seeking further education. It was gratifying to know that we could give them some help, but frustrating to realize that there were many other suitable and deserving applicants who, through lack of scholarships, were denied the chance to develop to their maximum capacity.

I must quote here a sentence from a speech made in the House of Commons by the Prime Minister, to be found on pages 977 and 978 of the House of Commons *Hansard*, in which he candidly admitted that it was impossible to provide scholarships for every one of the applicants. That is pure common sense.

Honourable senators, I am not familiar yet with all the rules and practices of the Senate, but in the House of Commons we were not allowed to quote verbatim from the Senate, and I presume the same applies here, although the rules will have to be modified in due course. However, I wish to quote further from the speech of our honourable and gracious friend from Fredericton. She said:

A number of the men in Canadian public life have been assisted in the beginning of their careers by these I.O.D.E. Overseas scholarships.

Congratulations to the I.O.D.E., and to all the other organizations which have provided scholarships to youth.

A little further on the honourable lady said:

Many organizations of which I am a member have for years regretted that Canada has no national UNESCO Commission and have wished that such a commission could be set up. I certainly welcome this provision.

Opinions are free, and I am sorry to have to disagree with the honourable lady.

I come now to our honourable and eloquent friend the senator from Ottawa West (Hon. Mr. Connolly). He made a splendid speech, and I listened to him with interest and admiration, but I regret to be unable to agree with all that he said. He mentioned Victorian England as an example. I think that he should have mentioned Canada during the Victorian era. He referred to Balfour, and he forgot to say that Balfour was an artist, who, when fed up with politics, played the piano—*pianissimo* and *fortissimo*. He also spoke of Peel, and others. And he mentioned three famous Canadians: first, D'Arcy McGee, and I agree with him to a certain extent, because I have a few drops of Irish blood in my veins; then Mr. Arthur Meighen, with whom I disagreed all the time that he was in politics, from the time that I was elected, but I cannot prevent anyone from saying that he was a first-class debater in the Senate as well as in the House of Commons; and finally my friend mentioned his former chief, the late Angus L. Macdonald, who was a very popular premier of the great province of Nova Scotia. It is not necessary to mention the dead. I believe that the living should be praised for their accomplishments. It is not flattery, it is just giving one what belongs to him.

In that connection, two of the most eloquent speeches that were ever heard in this capital city of Ottawa were made on the 15th of this month by the Prime Minister of Canada and one of his colleagues. I refer to the very excellent speech that was delivered by the Prime Minister of Canada in the Railway Committee room of the House of Commons when he addressed the students who were here in Ottawa from all parts of Canada. On the same date the students gathered to listen to a speech by the Honourable Hugues Lapointe, Minister of Veterans Affairs and Postmaster General, son of the Right Honourable Ernest Lapointe, who in his lifetime was the right hand of the late Prime Minister of Canada. Mr. Lapointe gave one of the best definitions of liberalism and freedom of speech. Here is what he said:

(Translation):

The Liberal party's ideal has always been to do everything it possibly could to improve the lot of Canadians in the various walks of life, and this without infringing upon the freedom of either individuals or groups.

For our party has always been and remains the strongest defender of fundamental freedoms, the party which has done the most to give Canadians the greatest possible measure of freedom.

This sound policy of a truly democratic government, in accordance with Liberal ideals, bends all the strength of the state to the service of the citizen.

The Liberal party, which is the party of freedom, has made of Canada the land of freedom. It is

responsible for Canada's constant development towards increasing autonomy, to the point where it is now with complete independence that we act in the community of nations.

And because of our party's loyalty to the principles of individual, economic and political freedom, millions of Canadians have shown their unreserved faith in it and supported the policies of the St. Laurent Government.

(Text):

Well, honourable senators, there was a definition of "liberty" as understood by the Liberal party, and it is in conformity with the teachings of the great Laurier, Mackenzie King, my honourable friend from Gulf (Hon. Mr. Power), the honourable Leader of the Government in this house (Hon. Mr. Macdonald), and all the great leaders of the Liberal party.

Another speech that deserves special recognition is one which was delivered to the Canadian Club of Montreal on February 4 last by no less a person than Monseigneur Lussier, the Rector of the University of Montreal. In that speech he stated:

Security is nothing without freedom.

I must continue to refer to the very interesting speeches that were delivered by my distinguished colleagues. The honourable senator for Inkerman (Hon. Mr. Hugessen) said:

In comparison with the scholarships available to the intelligent in England, we in Canada have so far fallen lamentably behind.

I am sorry to have to disagree with my honourable friend. The idea of scholarships is not new. To mention a scholarship which has done a lot of good for students, I would recall to my honourable friend the memory of a great humanist, a personal friend of his and a colleague in this chamber for many years. Indeed, I wonder if they were not appointed to this chamber at the same time. I refer to the late Senator Athanase David, a former Provincial Secretary of the province of Quebec, who founded *le Prix David*, an institution to encourage youths who had an inclination for music, painting, the arts in general, and writing, to do their very best to improve their natural inclination. *Le Prix David* was given to authors and those with an artistic disposition, and it has done a lot of good. I am surprised that nobody has mentioned the fact that the late Senator David of the province of Quebec was, like Cecil Rhodes, a pioneer in promoting education, humanism in the letters and in the arts. He was second best to Cecil Rhodes, who did what he did for political motives. There were no strings attached to the scholarships awarded by the provincial Government then, as there are none now. But there are many young people, boys and girls, who have taken advantage of those scholarships to complete

their studies in Europe, in the United States and all over the world. The late senator deserves special mention.

But there is more to it. If we look at the *Canada Year Book* we will see that the province of Quebec is not alone in the awarding of scholarships. It is done throughout the land by private individuals, who could be compared with Maecenas, and by provincial governments which are interested in gifted boys and girls. May I quote this list from the *Canada Year Book*, 1955, at pages 347 and 348. It is more complete in the *Canadian Almanac* of this year:

There are also schools of art not requiring any fixed academic standing for admission,

Mark that, honourable senators.

as they are concerned more with the technical development of the artist. The most widely known of these are:

Nova Scotia College of Art, Halifax, N.S.
 Ecole des Beaux-Arts, Quebec, Quebec.
 Ecole des Beaux-Arts, Montreal, Quebec.
 School of Art and Design, Montreal.
 Museum of Fine Arts, Montreal, Quebec.
 Ontario College of Art, Toronto, Ontario.
 University of Manitoba School of Art, Winnipeg, Manitoba.
 Provincial Institute of Technology and Art, affiliated with the University of Alberta, Calgary, Alberta. (Summer session at Banff, Alberta.)
 Vancouver School of Art, Vancouver, British Columbia.

I could mention also Mount Allison University.

But that is not all. There are many art galleries throughout this land, and we find a list of them in the *Canada Year Book* and the *Canadian Almanac*. The principal art galleries and museums are:

New Brunswick Museum, Saint John, New Brunswick.
 Museum of the Province of Quebec, Quebec, Quebec.

This last is the museum where the Polish art treasures are being kept.

Montreal Museum of Fine Arts, Montreal, Quebec.
 National Gallery of Canada, Ottawa, Ontario.
 London Public Library and Art Museum, London, Ontario.
 Art Gallery of Toronto, Toronto, Ontario.
 Royal Ontario Museum of Archaeology, Toronto, Ontario.
 Art Gallery of Hamilton, Hamilton, Ontario.
 Willistead Library and Art Gallery, Windsor, Ontario.
 Winnipeg Art Gallery, Winnipeg, Manitoba.
 Regina College Gallery, Regina, Saskatchewan.
 Edmonton Museum of Arts, Edmonton, Alberta.
 Vancouver Art Gallery, Vancouver, British Columbia.
 Arts Centre of Greater Victoria, Victoria, British Columbia.

That is quite an imposing list. It is a list that would do honour to any civilized country of the world. Naturally we must look at encyclopedias like *Canada and Its Provinces*, which was published by Dr. Doughty and other prominent scholars, to know the details

of the accomplishments of those institutions. But those institutions have existed for a long time. They do honour to Canada, and we must be proud of them and encourage them to the utmost.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Pouliot: Now, there are other art organizations. I quote from page 350 of the *Canada Year Book*, 1955:

The leading art organizations of national scope, exclusive of museums and art galleries, include the following:

Association of Canadian Industrial Designers.
 Canadian Arts Council.
 Canadian Group of Painters.
 Canadian Guild of Potters.
 Canadian Handicrafts Guild.
 Canadian Museums Association.
 Canadian Society of Graphic Arts.
 Canadian Society of Painter-Etchers and Engravers.
 Canadian Society of Painters in Water Colour.
 Canadian Society of Landscape Architects and Townplanners.
 Community Planning Association of Canada.
 Federation of Canadian Artists.
 Royal Canadian Academy of Arts.
 Royal Architectural Institute of Canada.
 Sculptors Society of Canada.

And there are more:

La Société des Ecrivains Canadiens.
 The Canadian Ballet Festival Association.
 The National Ballet Guild of Canada.

and so on.

Are you not satisfied, honourable senators, with the accomplishments of Canada in the domain of arts and the humanities? You have the record, a record of which we can boast. It cannot be ignored.

What has been done by the proud provinces through private initiative and through taxation to help education and to give post-graduate courses is more than the sum that is mentioned in this bill.

Now I wish to quote an interesting exchange between the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable senator from Inkerman (Hon. Mr. Hugessen):

Hon. Mr. Roebuck: . . . What I criticized was the proposed means by which public money would be handed out by private individuals. So far, no one has justified the proposed action in that respect.

I agree with him on that: it is clear. And then:

Hon. Mr. Hugessen: I may have misread my honourable friend's remarks.

Hon. Mr. Roebuck: I spoke about the advantage of leaving education in the hands of the provinces. I still maintain that belief, and it is pretty well acknowledged in our whole community.

In Toronto, in Greater Toronto, and the province of Ontario. Then, a little further on:

Hon. Mr. Roebuck: Is that not an argument for equalization of grants as between the provinces rather than for appointment of a council to do the job of equalizing?

Hon. Mr. Hugessen: I am afraid I do not quite understand what my honourable friend means. If he means that the federal authorities should give equalization grants to the provinces to equalize their revenues, there may be an argument for that; but what we are particularly interested in, in this case, is the support of university education, and a mere generalized grant to the provinces without any indication of where it is to go would not achieve that purpose.

I agree with the last part of that sentence.

Hon. Mr. Roebuck: I did not use the term "generalized grant".

Hon. Mr. Hugessen: In any event, I must say that I think this University Capital Grants Fund will be of great utility. It will help our universities to meet an urgent capital need, and for my own part I am very strongly in favour of the bill and particularly of that section of it.

As regards the statement of the honourable senator from Inkerman, "If he means that the federal authorities should give equalization grants to the provinces to equalize their revenues, there may be an argument for that", I will go further. I say that the grants made to the provinces should be earmarked for scholarships, on the same principle, let us say, as the taxes on two estates are earmarked for the fund which is to be administered by the Canada Council. I say that, as the council is provided with money which was so earmarked, I would earmark it for the use of the provinces with the stipulation that it shall be used for scholarships. That is a point of view and a consideration which I submit to the attention of honourable senators. To do this would be in conformity with section 93 of the Constitution, the first lines of which read as follows:

In and for each province the Legislature may exclusively make Laws in relation to education . . .

With regard to the capital grants, is it not astonishing that we speak of music and the arts in this city of Ottawa where, although so many buildings have been erected by the federal Government, there is no concert hall? This strikes me as something very queer. If artists of note come to Ottawa they can give concerts only in a local moving picture theatre, if it is made available. In what other capital city of the world is there no hall for concerts or no hall where great artists can perform occasionally, even though the city cannot sustain a regular opera company comparable to the Metropolitan and other like institutions?

All these considerations have impressed me very deeply. There are many question marks in my mind.

It is with peculiar satisfaction that I address honourable senators today, because of what happened 21 years ago, on February 27, 1936, in the House of Commons. It was during the first session after the defeat of the previous Government. The Liberal

party, having won the election, was again in power. I thought that we had to do a spring cleaning of the statute book; and when I introduced a bill to get rid of Mr. Bennett's Economic Council of Canada Act I spoke as follows, as reported in the House of Commons *Hansard* of February 24, 1936, pages 436-7:

Mr. Speaker, it is very easy to explain the purpose of this bill. It is to put the axe of parliamentary control to a dry branch of the dead tree of so-called social legislation.

The motion was then agreed to and the bill was read the first time.

Hon. Mr. Aseltine: What has this got to do with the bill?

Hon. Mr. Pouliot: I will satisfy my honourable friend's curiosity. That was a prolegomenon to a magnificent speech delivered at that time by the then Prime Minister of Canada, and which unfortunately has not been referred to by those who have spoken before me in this debate. That is the reason why I have referred to it.

As I have said, I am not too familiar with practices in the Senate. I have great respect for the views of others and I do not want to interfere. But it was rather typical that after a barrage at the caucus meeting in the morning, the discussion during the second reading, the committee stage, third reading and the passing of the bill took less than two pages of *Hansard*. The only one to oppose the bill was the late Mr. Woodsworth. But here is the speech that was delivered on that occasion by Mr. Mackenzie King, the then Prime Minister:

The measure comes under the Prime Minister. The act provides for the appointment of an economic council to advise the Prime Minister. I am quite satisfied with my own council; I do not think I need an economic council to tell the present Government what is necessary in the way of legislation. The Government at all times is in a position to command the services of any members of the public service. It seems to me wholly superfluous to have on the statute book a law which obligates the Government to bring together a number of the members of the public service and constitute them into an advisory council, when members of the public service have enough to do in their own departments if they are doing their work properly. It is prodigal to add to public expenditures to the extent necessitated by this act. I think the Government made its attitude toward the legislation clear when we did not place in the estimates an appropriation for the legislation, and I do not think it is necessary for us to say anything more about it. It is superfluous legislation, and our attitude towards it when the late Government introduced the measure was that it was superfluous. However, being a part of the new deal which was being tried out it was allowed to pass. The public has since expressed its view with respect to much of the late Government's legislation and made clear its attitude towards some of these measures. The present Government does not feel it in the public interest to continue the legislation.

The *Hansard* report continues as follows:

Section agreed to.

Bill reported.

Mr. Pouliot moved the third reading of the bill. Motion agreed to and bill read the third time and passed.

That is history, and my honourable friend from Ottawa West (Hon. Mr. Connolly) invited such reminiscences. This is one and I could recall many others.

I thank my honourable colleagues for having been patient enough to listen to my views. In conclusion, I want to say that I am a party man and no one regrets more than I to disagree with the Government, especially with the Prime Minister, for whom I have great admiration. But I will never admit that the Senate should be a rubber stamp and that we should swallow with our eyes closed everything that comes from the House of Commons. We have a responsibility for the future. My honourable friend from Churchill (Hon. Mr. Crerar) nods his head in approval. I thank him. He disagrees with me sometimes. I admit that it is his right to disagree with me; but when he agrees with me I am much more satisfied.

Hon. Senators: Oh, oh.

Hon. Mr. Pouliot: I certainly hope that the Government will reconsider this bill before submitting it to the Governor General for his sanction. If the Senate approves this legislation, notwithstanding the British North America Act, I will have at least warned my honourable colleagues that it is very dangerous to take such action because of what may happen in the future.

Honourable senators, I have wanted to stress what has been done for education in Canada. In this I have followed the footsteps of the honourable Leader of the Government (Hon. Mr. Macdonald), who did so graciously but perhaps a little too casually. We must realize that Canada, although considered a young nation, compares favourably with any other country with regard to the arts, humanities, education and other fields of knowledge.

I have spoken a long time but I do not apologize, for in this chamber we have the right to say what is in our minds. I could have spoken about the accomplishments of the National Research Council and the atomic energy plant. As a matter of fact, every such Canadian undertaking has been done well. That is why, with all due respect to its sponsors, I hope this legislation will be left on the shelf.

Some Hon. Senators: Hear, hear.

Hon. Cyrille Vaillancourt: Honourable senators, my honourable colleague from De la Durantaye (Hon. Mr. Pouliot) disagreed with

so many members in this chamber that he should not object if I say I do not agree with everything in his speech.

Hon. Mr. Pouliot: I agreed with what a good many said.

Hon. Mr. Vaillancourt: I feel, as my honourable friend does, that we should be able to listen to a person even if we disagree with him. A famous French *litterateur* once wrote to this effect:

I disapprove of what you say, but I will defend to the death your right to say it.

When it is said that under the Constitution education is reserved to the provinces, I agree; and by that rule we cannot oblige any school or university to receive money for educational purposes. However, if the universities, especially those of the smaller provinces, because of their inability to collect necessary funds from taxes, cannot do what they should be able to do, I can see no reason for disagreeing with the proposal that they should receive a grant of money from the federal Government. That is not a new idea at all. For years students in Canadian universities received bursaries from the Royal Society of Canada and so were able to study in France, England and elsewhere. Rhodes scholars also received bursaries to enable them to go to Oxford.

Of course, I realize there is a difference between scholarships in physics, chemistry, and so on, and scholarships in the arts. The arts are the food of the spirit, while the sciences are concrete. If we can develop the arts in our country, we must remember that it is a development, not their beginning. The federal Government is being asked to help schoolboys and girls toward an appreciation of the arts. When we have learned how to listen to a good concert, we have also learned how to relax. I think life is better for all of our people who have learned to do this. The arts, together with the humanities and social sciences, improve the spirit, the morality, and enlarge the soul of man.

When I was very young the great Albani—Marie Emma Lajeunesse—was the best singer in the world. At that time we lived 15 miles from Quebec, and my father brought all our family to the city to hear her sing. Many men and women of my age will remember her beautiful voice, which spread the fame of Canada all around the world. In my young days I would have been happy to be able to continue my studies at a university and acquire a classical education. I repeat, the arts are the food of the spirit. People who are deprived of that food must suffer the consequences.

On motion of Hon. Mr. Burchill, the debate was adjourned.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 194 to 204, which were presented on February 26.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

The Senate adjourned until tomorrow at 3 p.m.

DIVORCE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee report on Senate Bill 194, which provides for divorce and moved that the report be adopted and the bill be read the next day.

EASTERN ROCKY MOUNTAIN FOREST CONSERVATION BILL

Hon. Mr. Macdonald presented Bill No. 195, an Act to amend the Eastern Rocky Mountain Forest Conservation Act.

The bill was read the first time.

Hon. Mr. Macdonald: With leave, I beg to move.

GOVERNMENT PROPERTY TRAFFIC BILL

Hon. Mr. Macdonald presented Bill No. 196, an Act to amend the Government Property Traffic Act.

The bill was read the first time.

Hon. Mr. Macdonald: With leave, I beg to move.

ADJOURNMENT

Hon. Mr. Macdonald: Honorable members, I move that when this hour shall have

PRIVATE BILL

PROVINCE OF ALBERTA

Hon. Mr. Macdonald presented Bill No. 197, an Act to amend the Statutes of Alberta relating to the Province of Alberta.

The bill was read the first time.

Hon. Mr. Macdonald: With leave, I beg to move.

The bill was read the first time.

Hon. Mr. Macdonald: With leave, I beg to move.

SENATE CHAMBER

Hon. Mr. Macdonald presented Bill No. 198, an Act to amend the Senate Chamber Act.

EXHIBIT COURT BILL

Hon. Mr. Macdonald presented Bill No. 199, an Act to amend the Exhibit Court Act.

The bill was read the first time.

Hon. Mr. Macdonald: With leave, I beg to move.

The bill was read the first time.

PRIVATE BILL

PROVINCE OF ALBERTA

Hon. Mr. Macdonald presented Bill No. 200, an Act to amend the Statutes of Alberta relating to the Province of Alberta.

The bill was read the first time.

THE SENATE

Thursday, February 28, 1957

The Senate met at 3 p.m., the Hon. Jean-Marie Dessureault, Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

PRIVATE BILL

OBLATE FATHERS OF ASSUMPTION
PROVINCE—COMMONS ADMENDMENT
CONCURRED IN

A message was received from the House of Commons returning Bill T, an Act to incorporate Oblate Fathers of Assumption Province, and acquainting the Senate that they have passed this bill with an amendment, to which they desire the concurrence of the Senate.

The amendment was read by the Clerk Assistant as follows:

Page 2, line 42. Delete the word "or" and substitute therefor the word "and".

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

Hon. Mr. Vien: Honourable senators, with leave I move that the amendment be concurred in now.

The motion was agreed to, and the amendment was concurred in.

SENATE CHAMBER

ACOUSTICS

Hon. Mr. Haig: Honourable senators, it is difficult to hear in this chamber. May I ask His Honour the Speaker if he would kindly raise his voice, so that we may all hear him?

EXCHEQUER COURT BILL

FIRST READING

A message was received from the House of Commons with Bill 160, an Act to amend the Exchequer Court Act.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

PRIVATE BILL

CANADIAN CO-OPERATIVE CREDIT SOCIETY
LIMITED—REPORT OF COMMITTEE

Hon. Thomas Vien, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the Committee on Bill V-5.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (V-5) intituled: "An Act respecting Canadian Co-operative Credit Society Limited", have in obedience to the order of reference of February 21, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 205 to 223, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

EASTERN ROCKY MOUNTAIN FOREST CONSERVATION BILL

FIRST READING

Hon. Mr. Macdonald presented Bill X-7, an Act to amend the Eastern Rocky Mountain Forest Conservation Act.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

GOVERNMENT PROPERTY TRAFFIC BILL

FIRST READING

Hon. Mr. Macdonald presented Bill Y, an Act to amend the Government Property Traffic Act.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

ADJOURNMENT

Hon. Mr. Macdonald: Honourable senators, I move that when this house rises today it

stand adjourned until Tuesday next at 8 o'clock in the evening.

The motion was agreed to.

PACIFIC GREAT EASTERN RAILWAY

ANSWER TO INQUIRY

Hon. Mr. Macdonald: Honourable senators, may I refer to an inquiry that was made by the honourable member for New Westminster (Hon. Mr. Reid) on February 20 respecting a press dispatch to the effect that the president of the Canadian National Railways was interested in buying the British Columbia Government-owned Pacific Great Eastern Railway. At that time he wished to know whether there was any truth in this report.

I made inquiries of the Department of Transport and have been advised that the department has no knowledge other than the speculation contained in several news reports. I have a copy of one of these news reports which appeared in the Vancouver *Province*. Apparently Mr. Gordon made the following statement on the subject to that paper:

My talk with Premier Bennett was a private conversation which ranged over a variety of subjects. My understanding was that there would be no comment to the press except to make it clear that no sale of the P.G.E. was in contemplation or discussion between us. Accordingly that is all I have to say.

INTERNAL ECONOMY

COMMITTEE MEETING

Hon. Mr. Pouliot: Honourable senators, last week the honourable Leader of the Government (Hon. Mr. Macdonald), told us that there would be a sitting of the Internal Economy Committee in the near future. As none has taken place this week, will there be a sitting next week?

Hon. Mr. Macdonald: I had hoped to be able to arrange for a meeting of the committee next week. However, I now find that this would not be convenient for a number of members of the committee, so I intend to suggest that the meeting should be held the following week.

Hon. Mr. Pouliot: I thank you. Although I am not a member of the committee I would be at the disposal of the committee when inspection of the stationery office upstairs is made, as well as an inspection of the stationery office of the House of Commons and of the External Affairs Branch in the East Block, if we are permitted that.

Hon. Mr. Macdonald: Thank you very much.

TOURIST TRAFFIC

COMMITTEE EMPOWERED TO MAKE INQUIRY

Hon. Gordon B. Isnor moved:

That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada, and that the committee be authorized to send for persons and records.

He said: Honourable senators, this motion was placed before the committee on February 6 by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck); and perhaps I may be permitted to pause and, on behalf of the committee and on your behalf, extend to him on this, his birthday, our very best wishes.

Hon. Senators: Hear, hear.

Hon. Mr. Isnor: I hope he may long be spared to devote his unselfish energies to our work and to offer us the independent thoughts which he so often places before us, though we do not always agree with them.

In speaking to this motion, may I be permitted to recall briefly what occurred 23 years ago, in 1934, when the Special Committee on Tourist Traffic met at the request of the then Government leader in the Senate, the Right Honourable Arthur Meighen, who later made a motion in this chamber for the setting up of a standing committee to deal with the very important subject of tourist trade. If I remember rightly, it was composed of nine members, the names of three of whom are quite familiar to most of us. I allude to the late Honourable W. H. Dennis, the first chairman of the standing committee, and to his successor as chairman, the late Honourable W. A. Buchanan, both of whom recently left our ranks and passed to the Great Beyond; and the honourable senator from Blaine Lake (Hon. Mr. Horner), who happily is still with us.

Hon. Senators: Hear, hear.

Hon. Mr. Isnor: For 23 years the honourable senator from Blaine Lake has taken a very active interest in the subject of tourist trade and the work of this particular committee. His interest continues right to the present time. In fact, as a member of the steering committee, he continues to display as much interest as ever in this important subject.

I realize that there are other important matters to come before the chamber today, and, to judge from what the honourable Leader of the Government (Hon. Mr. Macdonald) has said, he is anxious to proceed to the final reading of the Canada Council Bill.

Hon. Mr. Macdonald: I would not want my honourable friend to shorten his remarks because of anything I have said. I am sure we are all extremely interested in the subject upon which he is addressing the house.

Hon. Mr. Isnor: I was going to say that I would endeavour to make my remarks as brief as possible so as to give other honourable senators more time to speak on other matters.

We are very happy to have on the Tourist Committee representatives from every province in Canada, from Newfoundland in the east to British Columbia in the west. Canada is a wonderful country, and I know honourable senators will listen with keen interest to the comments that will be made by the representatives of the various provinces.

Honourable senators, in 1934 I represented the Nova Scotia Legislature before the House of Commons Special Committee on Tourist Traffic, which at that time was presided over by the Honourable Mr. Manion, Minister of Railways. I made several recommendations to the committee, some of which have since been implemented, and I believe the country is enjoying the benefit of them. One of my major recommendations was that Americans visiting Canada should be allowed to take home duty free \$200 worth of merchandise per person, and that our Government should try to arrange a reciprocal arrangement with respect to Canadians travelling in the United States. That recommendation has been implemented and I am sure that it has been of real benefit to everyone concerned.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Isnor: The Senate's Standing Committee on Tourist Traffic, under the chairmanship of the late Senator Dennis, selected Leo Dolan as the first Director of the Canadian Government Travel Bureau. I am sure everyone will agree that Mr. Dolan was very successful in building up our tourist industry. He did a splendid amount of good in selling Canada to the rest of the world.

Hon. Mr. Hawkins: Hear, hear.

Hon. Mr. Isnor: A couple of years ago Mr. Dolan made a trip to Japan, which he reported on to the Tourist Traffic Committee last year. He is known throughout the whole of North America as "Mr. Canada". I believe there is only one other name that will go down in history with Mr. Dolan's in this respect, and that is the name of John W. Fisher. Incidentally, I have been very sorry to learn that his enjoyable Canadian Broadcasting Corporation network program is to be discontinued. It is regrettable that such a program should be discontinued by this Government agency. I think the C.B.C. should

extend its radio and television programs to promote this important part of our national work, the tourist industry.

A short time ago I was interested to read a magazine article entitled "Foolish Travelers" by Bruce Hutchison. He wanted to know why Canadians insisted on taking their holidays in the United States and other countries instead of seeing Canada first. He referred to the many scenic beauties of each province, and those of Alberta in particular. Had I been the writer I would of course have referred to the beautiful ocean playground of Nova Scotia. However, he wrote fairly about each section of the country. He wondered why it is that so many people from central Canada who have travelled in the United States or abroad have never spent any time in eastern or western Canada. It was his opinion that if more Canadians travelled about in their own country our tourist trade would show a surplus rather than a growing deficit as at present.

There must be reasons for this deficit, and we all have our own ideas on the subject, but I hesitate to offer mine. Have we given this wonderful country of ours, which extends from the Atlantic Ocean to the Pacific Ocean, the publicity which it deserves? In commercial life, when we have a good product we advertise it. I admit that within their means our provinces have done a great deal to publicize their holiday resorts and other places which appeal to visitors. Many fine pamphlets have been published, and as chairman of the Senate's Tourist Traffic Committee I have received them from every province in Canada. These pamphlets have also been sent into the United States and abroad. There is no doubt that our provincial tourist bureaus are endeavouring to do a good job through the medium of advertising, but perhaps they have not been able to put their finger on the important thing. It may be that we are not hospitable enough, or that we do not feed foreign tourists enough of our native foods, or perhaps we should not fly American flags. I am not prepared to say what the trouble is, but I hope that the Senate's Tourist Traffic Committee and the various tourist agencies throughout the country will increase their activities through the medium of publicity and thereby do justice to a really important Canadian industry.

After 23 years of faithful service Mr. Leo Dolan was recently appointed Canadian Consul General at Los Angeles. We wish him every success in his new post. His place as Director of the Canadian Government Travel Bureau is being taken over by Mr. Alan Field, who has been transferred from the bureau's New York office to Ottawa.

Mr. Field is an outstanding personality, well qualified to follow in the footsteps of his predecessor, and I am sure that he will do an equally good job.

I am going to take the liberty today of placing a few suggestions on record in the hope that Mr. Field will pick them up and use them if he considers them to be worth while. I was impressed by a tourist advertisement that I saw in a magazine just yesterday. There were illustrations of some of our lakes, mountains, beaches, and so on, and comments like these: "Canada has more than one million lakes. It has 20,000 square miles of national parks. It has 59,000 miles of scenic coastline. It has superb holiday sites. What a country for the tourist, and what scenery!" Honourable senators, I think that advertisement tells my story in a very few words. We have a wonderful country, with everything needed to please the tourist, and if we properly publicize these attractions they should draw visitors in large numbers, many of whom will come back again and again. I refer to such attractions as our mountains, our fishing and our beaches. We should tell the prospective tourist of the delight of motoring through towns that time has coloured kindly in soft mellow shades, and of golfing in national parks with courses so beautiful that he won't care what happens to his score. I feel sure that if that thought could be sold to our friends in the United States and elsewhere our tourist traffic would be greatly increased.

Tourists set a new record in 1955 by spending \$329 million in Canada, and it is an astounding fact that \$304 million of that amount came from United States visitors. However, Canadians spent \$441 million on travel in other countries, of which \$361 million was spent in the United States. I think that is where our deficit arises. We can overcome that deficit only by a united effort; every one of us should make known to friends in the United States and elsewhere throughout the world the wonderful attractions we have to offer them if they will only come and stay with us for a while.

The purpose of our committee is to sell the attractions of Canada, first to the United States, our big customer, and then to other parts of the world, so that they will become better acquainted with our natural resources and possibilities. We must get to know one another. That applies especially to our own people. We must urge our fellow Canadians to travel in different parts of the dominion. Those living in the extreme west might perhaps be induced to visit central Canada first, and then they could be urged to travel right across the country to the Atlantic coast. We

want people in Ontario to visit Quebec, and we want the people of Ontario and Quebec to visit the Maritimes. Of course, in the Maritimes we do get a large number of tourists from Ontario and Quebec and so we have an opportunity to become acquainted with them. It is a good thing for the people in our provinces to get to know one another better, and that is one of the great advantages of travelling within our own country.

The tourist trade in Canada, I believe, is capable of greater expansion, and the present deficit existing between Canada and the United States could be changed into a favourable surplus. I feel that Mr. Field has before him a real challenge to overcome that deficit.

I come to my next point. Honourable senators, I believe that the Trans-Canada Highway should be used to the fullest possible extent by Canadians in travelling between points in our country. This is important. I think it is safe to say that practically 90 per cent of the people who motor from Ontario, Quebec and Manitoba to western or eastern Canada travel part of the way over United States highways. It may be said that the American roads are better than ours. On the other hand, one is compensated here by the beautiful scenery—for example, in Quebec, in driving along the St. Lawrence, or the Gaspé coast, and in the Maritimes. What a wonderful opportunity the tourist has in these parts of the country to see nature at its grandest! I urge that instead of driving into the United States Canadians should use the Trans-Canada Highway either east or west from any central point.

May I return to the point I mentioned a few moments ago, co-operation of other government agencies? I refer especially to the C.B.C., and I suggest that that body should co-operate to a greater extent than at present with the Government Travel Bureau by means of radio and television. Also I feel that there should be closer co-operation between the Government Travel Bureau and the National Film Board in the distribution of national films. Those two agencies are already set up to be used. Of course, they are used to a certain extent for tourist publicity purposes, but not, I think, to their fullest capacity. If we make greater use of these and other existing agencies we are bound to increase our tourist industry.

I now have a suggestion to make to the customs officials. I would like to see special attention given by them to people entering or leaving Canada at border points between this country and the United States. At St. Stephen, at least, and at eastern points, generally, the officials are exceptionally courteous, but one often hears complaints by visitors

of being held up for what appears to be unnecessary examination and questioning. I think they should be greeted with a smile and sent home with a smile; they would then carry away a good impression of their visit to Canada. I pass that suggestion on for what it is worth.

I come now to a subject in which the honourable senator from Churchill (Hon. Mr. Crerar) and others are deeply interested, that is, our national parks. I think an increased effort might be made by those in charge of national parks, such as Jasper and Banff, to urge tourists in the west to visit other parts of Canada, especially the east.

A further suggestion I wish to offer is that we should increase our highway direction signs. Often when travelling we wonder how to get to the next point of interest. It might be said that these signs are a provincial responsibility, and of course they are, but I felt that by mentioning the point today it might be picked up and result in the erection of more direction signs for the assistance of motorists, especially those using the Trans-Canada Highway.

May I now touch upon a matter that is not entirely within our scope? I realize that we have no control over the charges made by motels and resorts, but I suggest that uniformity in rates would be advantageous in attracting tourists. I am sure the Canadian Tourist Association and other such organizations could very well confer with one another in an effort to make sure that visitors are not charged more in one section than in another. Generally speaking, I do not think they are overcharged, but sometimes one hears complaints of excessive charges by this or that motel, and it would be well if a visitor from the United States could know that for Class A accommodation, or Class AA, as the case might be, he would find uniform rates all across the country. I think that is worthy of serious consideration.

Honourable senators, I have spoken longer than I should in introducing a motion of this kind. I conclude by leaving this thought with you, that if we can sell the idea to all Canadians, including all travel agencies, automobile manufacturers, and others interested in transportation, that they should see Canada—not necessarily see Canada first, but at least see Canada—and if we can impress upon the minds of people taking vacations the fact that to tour Canada is a real pleasure, we shall be doing a worth while job for Canada.

Hon. Senators: Hear, hear.

(Translation):

Hon. Mariana B. Jodoin: Honourable senators, as a member of the Tourist Traffic

Committee, I approve the motion of the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) and I do so with great pleasure because I know what great attractions Quebec has to offer the tourists who visit our province.

The charming villages of the north, in their Laurentian mountains setting, offer an enchanting scenery which changes with every season. And the old city of Quebec, so full of memories, with its streets lined with art-craft displays for the benefit of those who go by in old fashioned "calèches", has a character all its own, which never fails to amaze strangers.

Winter carnivals delight spectators everywhere. So do the enchanting sites of all the villages dotting the shores of the great St. Lawrence River as far as Gaspé, where the scenery well deserves to be publicized. But Quebec's most notable characteristics are its mentality, its faithfully preserved customs, and the truly French hospitality with which it welcomes visitors.

Montreal, the second French-speaking metropolis of the world, beautifully built on the flanks of Mount Royal, also commands the admiration of its visitors.

I could develop at length the reasons why the province of Quebec should be the centre of Canada's tourist trade.

(Text):

But I am certain that most English-speaking senators are familiar with the beautiful province of Quebec. If I cannot express in English all that I would like to say about that province, I invite you to come and see for yourself how beautiful it is. I hope that many organizations will be formed to encourage tourists to come to the province of Quebec, which is so full of "souvenirs".

Honourable senators, I am in favour of this motion.

May I take this opportunity to extend to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) sincere wishes for a *bonne et heureuse fête*.

Hon. R. B. Horner: Honourable senators, I feel I should say a few words in support of the remarks made by the Chairman of the Tourist Traffic Committee (Hon. Mr. Isnor). He is a hard working chairman, and the committee should bring about some good results.

For my part I am somewhat disappointed in the extent to which American tourists visit Canada. I am bold enough to say exactly what seems to me to be the trouble: How can we expect our neighbours from the south to visit us when their dollar is worth only 95 cents in Canada? That seems to be one of the main reasons why Americans do not come here in greater numbers. On the other

side of the picture, Florida is today so crowded that tourists have to sleep in cars, jails and any place they can find. The reason for the influx of Canadians there is that our dollar is at a premium of 5 per cent in terms of American currency.

My interest in our attracting American tourists is not only from a business point of view. I think there is great advantage on both sides for us to get to know one another better.

I notice that it is the intention of the Government to spend an additional \$1½ million on tourist advertising. To me, that is not necessary at all. A better plan would be to have every Canadian hotel keeper, motel owner and restaurateur say to his American patrons that he will accept their dollar at par. There is not one of these persons who could not afford to make that concession and still realize a profit on his tourist business. To my way of thinking, that would do more to encourage visitors to this country than would any amount of advertising. I have visited the United States when the exchange feature worked the other way, and I know how I felt when my dollar was discounted. I headed back for the Canadian border as fast as I could.

There is still another reason why Americans do not visit Canada in greater numbers. I may have told the house on a previous occasion of my experience in hotels on my return trip from Florida, but perhaps it would bear repeating. For the most part I found the hotel rates in the southern United States about half of what they are in Canada. For instance, in Jacksonville, Florida, I got for \$3 a large hotel room with a bath, which would have cost \$6 in Canada.

Another source of dissatisfaction among tourists is the quality of the meals they get in Canada. Irrespective of our abundance of beef, fish and wheat, many of our restaurants and hotels not only serve an insufficient quantity of food, but charge excessive prices. There is no necessity to treat visitors in that way. Tourists travelling through the United States find that every effort is made to welcome them, to see that they have the best of food and plenty of it.

It seems to me, honourable senators, that unless we correct some of these faults we cannot hope to gain any real benefits from additional spending on advertising in magazines and periodicals. It is the responsibility of every Canadian to see that he is a good host to our visitors. In other words, we should each go out of our way to welcome them.

The honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) spoke of the advantage of good road markings and signs to tourists in all parts of Canada. We all

know what a help and satisfaction it is, when driving on an unfamiliar route, to see from time to time signs giving the distance to the next town, the population and other information. I have noticed that throughout northern Ontario there are highway signs which give the population of the town you are approaching and the distance to the next town.

It is always a surprise to me to hear that some people do not know that we now have a Trans-Canada highway, and that we can travel by car from coast to coast through Canada. The road through northern Ontario to western Canada has been in very good condition for the past nine or ten years; it is now almost entirely paved, and offers to the motorists good scenery, up-to-date camping accommodation, good fishing and many other attractions. In the summer it is a beautiful picture, with tall evergreen trees lining the road.

Looking at the map one might believe that by going south of Lake Superior the distance from the east to Winnipeg or Regina would be shortened, but that is not the case at all. I have motored over both routes, and the route through Canada is the shorter.

Hon. Mr. Aseltine: By about a hundred miles.

Hon. Mr. Horner: Yes, that is right.

It is a pleasant run from Longlac through Geraldton and Beardmore, and on to Nipigon, a distance of about 100 miles. The road itself is in first-class condition. When I first travelled over that highway it was not too well gravelled, but now it is paved all the way to Nipigon. As you motor along the highway the trees change from softwoods to hardwoods, to mixed woods, and to poplars—great, beautiful tall trees. The soil must be really good, although the territory seems to be rocky.

About thirty miles south of Nipigon there is beautiful Black Lake, with a little park and a huge mountain behind it. At the time I was there last the place seemed to be well patronized by Americans. As to fishing, well you could catch fish by throwing a line out of your cabin door. On the huge mountain is located a nice level camping ground, and tumbling down from the mountain there is a small waterfall, the sound of which at night just lulls you to sleep. There are many equally pretty places along the road.

In my own province of Saskatchewan we have the Prince Albert National Park, which is a wonderful drawing card for Americans. They love to go there: first, because of the fishing; and secondly, to get away from the oppressive summer heat in some of the central parts of the United States. It is always cool and fresh in the area of that park.

A road has been built from Lake Wasquesiu to Lac La Ronge, a lake abounding in fish—in fact, a fisherman's paradise. Later on a highway will be built to Lac La Plonge, another lake just teeming with fish.

In the Prince Albert National Park is a golf course, which golfers who have played on some of the best courses in the world claim is the equal of any they have seen. It really is a beauty. Some of the greens overlook Lake Wasquesiu, and the variety of trees growing in the woods along each fairway are beautiful. Of course, there are other parts of Saskatchewan equally beautiful. The Cypress Hills Park is a lovely spot: there too you will find excellent fishing and a well-planned golf course.

To return to the motion before the chamber, Each one of us has to put forward an effort to develop tourist traffic; it is in our own interest to do so. Let us forget about the money point of view for a while, and invite Americans to come to Canada so that we will get to know one another better. If we make them feel welcome on their visits to Canada, that will be the best advertising we can have.

Hon. Nancy Hodges: Honourable senators, I did not intend to speak on this motion, but I must say to the honourable senator from Blaine Lake (Hon. Mr. Horner) that if I were to start discussing the attractions and beauties of British Columbia I would keep him here for a week.

Hon. Senators: Hear, hear.

Hon. Mrs. Hodges: By way of reply to the plea of the honourable senator that we invite Americans to come up here and accept their dollar at par, I would remind him that it was not so very many years ago when we Canadians had to pay a premium of 17 cents on our dollar when travelling in the United States. It is well to remember those things.

I quite agree with what was said by the honourable senator who presented the motion (Hon. Mr. Isnor) about selling Canada to the Americans, but I would like to emphasize what he said about selling Canada to the Canadians. If we were to get somewhere in a domestic way we would be doing a real selling job. For instance, if I had my way no one would be elected a member of Parliament until he or she had travelled across Canada—I mean from Newfoundland to Victoria, British Columbia—at least once.

Hon. F. Elsie Inman: Honourable senators, rising at this time I wish to heartily support the motion of the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor). Tourism is beginning to be big business in Canada,

and each province has its own appeal for the tourist. Speaking of my own province, I firmly believe that if we could increase the number of tourists to our island much of our farm produce would be used at home, and thus we would to some extent solve export and trade problems. I believe also that greater advertising of our fishing, hunting and bathing facilities would be of help in selling our province as a vacationland. Even at the present time it is rated third among our industries in Prince Edward Island.

As "Islanders" we are noted for being very modest about our island and our achievements with regard to it. But we must not hide our light under a bushel, and I would ask your attention for a few minutes while I tell you something of our tourist attractions and why we feel we have some very special features to offer our summer visitors.

Prince Edward Island may truly be called the unspoiled holiday paradise of the Atlantic seacoast. It is a land full of rural charm and unsurpassed pastoral beauty. It is also known as the birthplace of Canada, and as such must have a very special interest for Canadians from other provinces as well as for visitors from far-away places.

There are several ways of reaching the island. You may fly, if that is the way you like to travel; or you can come by train or by automobile to Cape Tormentine, on the New Brunswick side of the Strait of Northumberland, and cross by a palatial ferry to Borden, on the Prince Edward Island side. By the way, the ferry also carries the train. Or you can motor down to Caribou, near Pictou, in Nova Scotia, with beautiful scenery all the way, and cross by the ferry there to Wood Islands, Prince Edward Island.

The province now yearly welcomes and receives thousands of tourists from different parts of Canada, and from other countries, especially the United States; but we could accommodate thousands more. The Island's fame as a vacationland has spread far and wide. We have over 3,000 miles of highway, and most of the main roads are now paved. To honourable senators from other and larger provinces that may not seem very much, but as our island extends only 130 to 140 miles from tip to tip, that is relatively a lot of pavement. Other roads are gravelled or hard dirt roads. I admit that we have no mountainous scenery; I believe our highest elevation is about 500 feet; but since the day when the Indians peered through the trees at the strange boats which brought Cartier and his men to our shores, Prince Edward Island has smiled her welcome to visitors and has remained a land of enchantment and romance.

The rich red soil, in contrast to the brilliant shades of green, is a picture most pleasing to see. Beautiful trees and exquisite flower gardens are everywhere part of the rolling countryside which has been landscaped by nature herself. Prince Edward Island is practically ragweed-free, so that sufferers from hay fever can enjoy a holiday there in comfort.

No part of the island is very far from the water; and our beaches are the finest in eastern Canada. As we say, "Every mile a beach, and every beach a mile". Large areas patrolled by lifeguards make bathing and swimming safe in most places. The water near the shores is shallow enough for small children to play in with safety. There is no danger in leaving them by themselves. And the waters which roll over these sandy beaches are warm, averaging about 70 degrees in July and August. Almost everywhere along the coast there is surf bathing, and for those who prefer quiet waters there are sheltered bays and coves. You may even have a whole beach to yourself if you wish to be alone. None of the beaches are ever crowded. There is room for everybody.

There are many well-equipped trailer parks operated on the Island which are a great boon to the tourist travelling with a trailer.

Our trout fishing is supposed to be, and of course I think it is, the best to be found in Canada. At the end of the day one hears a great many "fish stories" and naturally I believe them! Our deep sea fishing is a great attraction to tourists. If I may be permitted to relate a little personal experience I would like to tell of my first attempt at deep sea fishing. The first fish I caught was a cod, and for a little while I wondered if the fish was going to get in the boat with me, or whether I was going to join it somewhere at the bottom of the Gulf of St. Lawrence 15 miles offshore. Finally, I landed the fish and, much to my surprise, found that it was as long as I am. That, honourable senators, is my fish story.

Hon. Senators: Hear, hear.

Hon. Mrs. Inman: Prince Edward Island has three good golf courses. The one at Green Gables, in the National Park, is supposed to be as fine as any to be found in Canada. We, too, have horse-racing; yachting—in small boats, if one wishes—and boating of the ordinary kind. There are numerous summer hotels, cabins and motels along the beautiful shores, where the bright skies and cool breezes from the seas bring health and enjoyment to those who visit this fertile and scenic little island.

An afternoon on the sand dunes is one of healthful enjoyment. How deep the blue of

the water flecked with foam and dotted with the boats of those who gather their harvest from the sea. You sit on the sands and hear the ceaseless lapping of the waters at your feet. And the little sandpipers whisper at your side, the seagulls circle overhead, a flock of wild mallards feeds in the silvery lagoon nearby. You look at the foam and the dark sea billows, at the picture of the rolling green meadows and well-cared-for homes, at the glossy streams that mirror the cloudless heaven of blue, and acknowledge the beauty and serenity that dwells in this fair island, this land of sun, sand and surf, a paradise for relaxation, where quiet and peace prevail. The welcome mat is always out and the door of hospitality ever open.

Hon. Senators: Hear, hear.

Hon. F. W. Gershaw: Honourable senators, I wish to say a few words about the province of Alberta.

Our province depicts on its crest a range of snow-capped mountains, a range of green hills and a harvest scene, with the Cross of St. George above it, and the blue sky over the mountains. Alberta, indeed, is noted for its skies. Morning and evening the heavens glow with beautiful colours, at sunrise and sunset.

But Alberta has advantages other than blue skies and strikingly beautiful scenery. The province is dotted with derricks which indicate the location of oil wells. Every day of the year, summer and winter, 450,000 barrels of oil are taken from the ground. The provincial conservation board believes that we have in reserve some 18 trillion cubic feet of gas. More is being discovered all the time and the greatness of this resource can be realized from the statement that four and a half trillion cubic feet will supply the needs of Alberta for 25 years.

We have heard something lately about pipe lines which are being built east and west from Alberta so that others in Canada can share the benefits of this cheap and easily-controlled fuel. There is enough coal underground in Alberta to last the dominion of Canada, at the present rate of consumption, a thousand years. About one million acres of land are irrigated by the rivers and streams which flow down the eastern slopes of the Rockies; and three large beet sugar factories are engaged in processing the great crops of sugar beets, high in sugar content, which may be seen from the roadside during the season.

These crops have a high sugar content on account of the moisture and sunshine and the long frost-free season.

Tourists travelling west in one of the dome cars of *The Canadian* will see boundless and

beautiful level areas for which the English language has no name—the Prairies. Here and there on the Prairies, both in summer and in winter, large herds of white-faced cattle can be seen grazing and fattening up on the nutritious natural grasses.

As the travellers journey farther west they will pass through rich foothill country, and finally they will come upon the great Rocky Mountains, whose scenery is world famous. They will see the impressive Castle Mountain, now called Mount Eisenhower, which in the distance looks like some great structure built by human hands. It is surrounded by scenery which is just as lovely as the landscape might be in any dream.

Then the tourist will see Mount Rundle, which was named after an early missionary who made his contribution in that country before having to leave because of sickness. For many years after his departure the Indian people continued to sing the charming Sunday School songs he had taught them. Those Indians said of Mr. Rundle, "Poor he came among us; poor he went away, leaving us rich."

When we visit Banff, Jasper, Waterton and the ranges we find nature in all its original beauty, a beauty that brings contentment and peace. As someone has said:

I am tired of the sights of the city's bright lights,
I long for the peace of the range.
The spell of the mountains, majestic and grand,
The nights that are peaceful and strange.

I never think of Waterton National Park without remembering the late Senator Buchanan, one of the founders of this park, which is located in southern Alberta along the eastern slope of the Rockies. It is actually the northern projection of the National Glacier Park of the United States of America, whose full name is Waterton Glacier International Peace Park. As the name implies, it is a favorite place for international meetings of service clubs and good will meetings of people of the United States and Canada.

In the valley of the Red Deer, between Drumheller and Stezeville there lies the great Bad Lands of Alberta. This is truly a fearsome and frightening place, and it is the only attraction of its kind in Canada. There are canyon walls 500 feet high, and deep valleys that seem to have been gouged out by prehistoric monsters. The bones of reptiles that roamed that area sixty million years ago are still to be found there, for it is the graveyard of the dinosaurs that lived and played and perished there so long ago. Thirty complete dinosaur skeletons have been carted away from the valley, and one of them stands in the National Museum of Canada. It is indeed a colossal structure.

People who like unusual things can tour the Bad Lands and see petrified wood, fruits,

shells and bones of these prehistoric giants who once wallowed in this area. If a museum were established there, with good roads running to it, I am sure it would become a place of great interest, because of these attractions which are unavailable elsewhere.

The Trans-Canada Highway running through Alberta is a wide, hard-surfaced road. Accommodation along the way is good, and western hospitality is extended to all by a neighbourly people. Albertans are not afraid to venture into the unknown; they are not afraid of the untried. Someone has said that their particular characteristics can be expressed in these words:

Ask why the eagle soars in the air,
And builds on high his craggy nest;
Ask why the fishes swim so deep,
Then ask me why I love the West!

Hon. Senators: Hear, hear.

Hon. T. A. Crerar: Honourable senators, we are indebted to the honourable gentleman from Halifax-Dartmouth (Hon. Mr. Isnor) for bringing forward this motion. It is timely that he should do so. Our tourist traffic industry is one of substantial importance, even today, and is one with almost unlimited possibilities of development. It is important in several ways.

Some honourable senators who have spoken this afternoon have emphasized the importance of Canadians getting better acquainted with one another. I am all in favour of that. I am in favour, for instance, of my fellow Manitobans going down to the native province of the honourable senator from Halifax-Dartmouth and seeing some of the historic landmarks of our country, visiting beautiful Cape Breton Island and its lovely Bras d'Or Lakes, and enjoying the splendid scenery of the green-clad hills.

When we move from one province to another we educate ourselves but we do not become greatly enriched, in the economic sense, for we do not grow richer by taking in each other's washing, which is about what we do when we visit back and forth from one province to another. But when we get foreign visitors to come and see the varied scenic characteristics of our own country we are in effect exporting these scenic attractions. If a foreign tourist spends \$1,000 in Canada it means that we have gained this revenue by merely exporting our attractions. Therefore, in the economic sense—and it is from that point of view that I wish to speak for a few moments—this industry can be made of very great value to Canada.

In order to build up a good tourist industry a few things are necessary. Most people travel by motor car today. About twenty years ago, when I happened to have the responsibility

of a department of government, we built a road across 100 miles of wilderness from the Swan River valley in Manitoba to the town of Le Pas in northern Manitoba, which was then regarded pretty much as only a trappers' town, although it had a population of several thousand. The road, which was opened in the summer of 1938, as I recall, was built jointly by the Province of Manitoba and the federal Government. In the following autumn I was in Le Pas. The evenings were still fairly long, and one day after my evening meal I walked down the main street and counted 21 motor cars. Four months earlier those cars could not have reached Le Pas unless they had been transported by railway car. Of these cars, 19 were American, and one was from far-distant San Francisco. That was a very direct object lesson to me of the value of roads. Nothing will pay better than good roads in Canada.

Another thing that is essential, and which has been alluded to this afternoon, is good accommodation for tourists that is clean and not too costly, with food that is simple, wholesome, well prepared and served, though not necessarily expensive. By these means we can increase our tourist traffic immensely. Honourable senators, alongside our country, for 3,000 miles or more, is a country with a population of some 170 million, rated as the richest country in the world. Its people love to travel, and when on vacation they like to go to some unknown place. I was particularly struck with that fact many years ago in Manitoba, where we have some real tourist attractions that I shall mention in a moment. When I visited the national park on one occasion there were a number of American visitors, and I remember seeing two cars from the State of Kentucky. At that time I had the responsibility of the parks administration, and I was anxious to look around to see how everything was being done. With the superintendent of the park I went out several miles to see a herd of 80 or 90 buffalo which were in a fenced enclosure. The occupants of the cars from Kentucky were taking pictures of the buffalo, and they were having an exciting time. I have not the slightest doubt that when those tourists returned to their home state they told all their friends about the wonders of the national park in Manitoba, and showed the pictures to them; and it is altogether likely that they told some tall stories about their experiences—which would not hurt at all.

Honourable senators, our scenery across Canada is probably more varied and more attractive in its completeness than that of any other country in the world. We have the attractions of the old province of Quebec and of the Maritime provinces and the

attractions of Ontario, especially its northern lakes, forests and hills.

It is true that the Prairies are not regarded as attractive, but that impression is left mainly because the railways traversing the Prairie provinces do not touch the really scenic places there. When travelling by train from, say, Winnipeg to Calgary, one is apt to get the impression that this is nothing but level, bald-headed prairie, and that every eight or ten miles one comes across a not very attractive looking village. On more than one occasion I have heard European visitors speak of the dreary journey across the Prairies. Yet when one moves into other parts of any of the three Prairie provinces interesting and beautiful spots are to be found. For instance, in the province of Manitoba we have a national park, in which is not only a herd of 80 to 100 buffalo living under natural conditions, but also probably the largest herd of wild elk anywhere on the North American continent. The park is extensive in area, embracing over 1,600 square miles, and contains a beautiful lake nine miles long by three miles wide at its widest point. The interesting point about this lake is that there is not a single stream of water flowing into it, although a very substantial amount of water flows out of it. The explanation is that all the water in the lake comes from springs, except that which is derived from rainfall; springs gush and bubble up from the sand and flow into the lake, with the result that the water is so clear that one can see down to the pebbles, a depth of twelve to fifteen feet. This is a most attractive place situated in a hilly country, and every year hundreds of tourists visit there, particularly from the Dakotas. The same can be said of the Waskesiu Park in northern Saskatchewan. These are attractions which are very real to many people. When one considers that in many parts of North Dakota, for instance, water is not too plentiful and there is not a native spring or a conifer tree, excepting those that have been planted, it can be realized that the attractions of which I speak draw many tourists. Like attractions are to be found all across Canada.

Honourable senators, the purpose of this motion is that we shall examine further this matter of the promotion of tourist travel, that we shall call in those people of the provinces who are interested in the development of our tourist business. I really think that nothing but good can come out of that.

One of the greatest misfortunes in this country, probably on account of its size, is the duplication of effort not only in the federal, provincial and municipal fields, but in other fields as well. The sensible thing

to do is to try to co-ordinate these efforts, to forget about the things that may at times divide us and concentrate upon those on which we can become united.

This motion, which I trust will receive the unanimous support of this house, could lead to very useful results for the economy of Canada.

We have a great country and a great people. It is our responsibility in Parliament to give them the very best guidance and assistance we can, to provide them with good laws and to stimulate their imagination as to the possibilities of their country. If we do that, honourable senators, I am convinced that within ten years we can make our tourist business worth at least half a billion dollars annually to the economy of Canada.

Hon. Harold Connolly: Honourable senators, many years ago, as a young newspaperman, I sat in the dingy news-room of a Halifax newspaper, where an older associate, with the two-finger typist method, common to most newspapermen, sat down and typed out what I have always regard as the finest bit of poetic prose I have ever read. He addressed it to the people of Nova Scotia, and he entitled it simply *Nova Scotia*. This is what he wrote:

Did it ever occur to you that the Creator may have left this little sea-girt peninsula until the last?
That He may have reserved for it many of the treasures of His workshop?

That after He had finished His great masterpiece He may have spent eons in moulding those features of the province which possess such delicacy of beauty, such subtlety of charm that, search the world over, we find them unexcelled and without peer?

Did you ever think that when the world was coming out of chaos the Creator may have set aside ever so little of the congealing mass upon which to mold His own special design?

Have you not thought of the divine hand pressing a finger into the soft clay, and behold a valley here, another there?

Have you not seen in the contour of the hills and mountains of this land the divine imagery of what hills and mountains should be?

Have you not heard in the murmur of its surf, the babble of its brooks, the roar of its tide, the music of the divine choir that sang praises while the Creator worked?

Have you not heard through the forest, over fields and meadows, the breath that gave it life?

Did it never seem strange to you that this land is without tempest, or drought, or flood, or gale, or pestilence?

Well, if it did, did you ever think the reason may have been that it is God's island?

I recite that bit of poetic prose, honourable senators, not to suggest for one moment that we in that little peninsula have God-like qualities which are not possessed by other provinces in Canada. I mention it because the writer of those lines, the late Horatio C. Crowell, was a great Canadian who felt, as I am sure all honourable senators feel,

that the people of Canada ought to get to know one another better. Like most Canadians, I agree with that philosophy. But I should like to remind honourable senators that the primary motive of the tourist industry is—and it was referred to by the honourable senator who preceded me (Hon. Mr. Crerar)—to bring into this country new-found dollars. And Canada's greatest potential tourist customers are to be found in the country to the south of our borders, where there live some 180 million people.

I listened while the Chairman of the Tourist Traffic Committee (Hon. Mr. Isnor) referred to the great work done by Mr. Leo Dolan, the former Director of the Canadian Travel Bureau. May I with all deference point out that this was not the first body instituted to improve the tourist endeavour in Canada, nor was Mr. Dolan the first chief of a travel bureau in this country. As a matter of fact, the origin of tourist promotion within Canada goes back more than 100 years. The first director, self appointed, of a travel bureau was a poet in New England by the name of Henry Wadsworth Longfellow, who wrote a gem entitled *Evangeline*, based on the expulsion of the Acadian people from Nova Scotia. As a result of that masterpiece of poetic effort, during all the long years since then the greatest number of tourists to Nova Scotia have come from New York and Massachusetts.

Now, there is nothing strange to me in the fact that the people of Nova Scotia, much as they would like to learn more about British Columbia, find it very difficult to do so, and the people of British Columbia cannot easily get to know Nova Scotians. It is simply a matter of economics. As I listened for the past several days to the debate on the Canada Council Bill, with its recommendations with respect to the arts, humanities and sciences, I wondered whether or not the aspect of tourist travel should not come within the purview of those who will constitute that council. I ask honourable senators to note that the motion before the house asks that the Tourist Traffic committee be "... empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada." I do not wish to decry the motion, but simply for the record may I point out that every year for many years past the provincial tourist agencies in Canada have met with the minister at Ottawa responsible for tourist endeavours. These meetings have revealed that while there may be some little overlapping of services, the objective of the Canadian Government Travel Bureau has always been, and I think properly so, to focus attention of tourists not upon certain

sections of the country but upon Canada as a whole, believing that it is the duty of each province to utilize its own resources to improve its own economy.

Now, honourable senators, I do not propose to do other than vote for the motion. But I think it would be a mistake if we became so engrossed with the thought that Canadian people should get to know each other better that we completely forgot our potential customers to the south. If we are to bring into Canada the tourist dollars which we require, and which our trade balance shows are most urgently needed, we must always remember that no matter how patriotic it may be to encourage our citizens to visit one another, the people upon whom we must focus our attention are the 180 million Americans who have already proved beyond a shadow of a doubt that they are this country's most valuable tourist customers.

Hon. Arthur W. Roebuck: Honourable senators, —

Hon Mr. Pouliot: Happy birthday to you.

Hon. Mr. Roebuck: Thank you. The mover of this resolution (Hon. Mr. Isnor) did me the honour of asking me to second it. Although he had to leave the chamber to catch a train to his home, I will nevertheless thank him, and I trust he will read my remarks in *Hansard*. I also take the opportunity to thank him for the congratulations which he extended to me for having drawn out this long-extended youth of mine to a certain degree of maturity. I have been highly pleased and deeply moved by the many messages of good will and congratulations that have come to me, not the least of which was the one I just received from the honourable senator from De la Durantaye (Hon. Mr. Pouliot). I acknowledge gratefully good wishes of the honourable lady from Sorel (Hon. Mrs. Jodoin), the Prime Minister, the Leader of this house, and many others.

It is almost worth while to grow old just to receive these kind expressions of friendship, good fellowship and good wishes. I am sometimes tempted to think that the record must be wrong, so far as I am concerned, but the fact is that my being able to maintain so long the activities of youth has been largely a matter of good luck. As one reaches the meridian of life and travels down the other side, the hope and the wish always is to retain the strength to continue and to take a part in the activities of his generation. That strength has been accorded to me, not because of any virtue on my part but just as a matter of good luck which I have not been foolish enough to destroy.

I thank every one who has congratulated me on this day.

Now, honourable senators, turning to the resolution itself, it is not feasible for me or desirable at this late hour to compete with the wonderful literary efforts that I have heard this afternoon, in which poetry and imagery were employed to extol the scenic beauties and other attractions of the various speakers' provinces. I do wish that all Canada could have been listening to what has been said on the floor of this house this afternoon. I am not going to say much on behalf of the province of Ontario, and perhaps it is not necessary that I should, for after all there is no attraction anywhere in the dominion that cannot be equalled in the province of Ontario.

One of the great wonders of the world is Niagara Falls. He who has not looked up at that towering fountain of water has something well worth seeing before he departs this world. And let us not forget that our national capital, Ottawa, is in the province of Ontario. I have seen many of the capitals of the world, but I think I am safe in saying that none of them excels this capital of ours in natural beauty and architectural loveliness. And, of course, my own great city of Toronto, with its splendid bay and all its facilities for entertainment and comfort, is as fine a city as can be found anywhere. And I must not overlook the golf courses.

Hon. Mr. Lambert: Hear, hear.

Hon. Mr. Roebuck: In the course of my golfing experience I have heard a good many alibis, but we got a new one today from the mover of this resolution (Hon. Mr. Isnor) when he suggested that if any tourist visiting Nova Scotia finds his score not exactly as he would like it, it is likely that he has been overcome by the beauties of the scenery around him. That is a new one. Perhaps it provides a clue to what has been affecting my own score for so long.

It is true, as was said by my honourable friend from Churchill (Hon. Mr. Crerar), that the tourist industry is of great economic importance, but let him not consider only the question of currency and finance. He said we will not create wealth by taking in each other's washing. Well, that is what we are doing on all hands—we are increasing the wealth of this country by the work that we do, by the effort we apply to the natural resources of our country. Certainly if we take in our neighbours' washing it will result at least in our having clean clothes which previously were dirty, and that surely will be an addition to our wealth. But no doubt what my friend had in mind was that it does not help our international balance of currency when we travel in our own country, whereas it does help us materially when

somebody from the United States comes here and gives us the opportunity to provide him with comforts from the wealth of the land, for which he leaves us his money in return.

It is too bad that there is so much misconception over the exchange value of currency. The American tourists who finds that his dollar is worth only 95 cents or so in Canada should remember that its purchasing power is less than that of our dollar, and that he got it more easily in consequence. When he exchanges his dollar for ours he acquires more purchasing power.

Before closing I would like to pay tribute to the Chairman of the Standing Committee on Tourist Traffic (Hon. Mr. Isnor). We have no finer chairman or better host in the Parliament of Canada than the chairman of this committee.

Hon. Mr. Lambert: Hear, hear.

Hon. Mr. Roebuck: He has set an example to all other chairmen in that he invites the members of his committee to dinner once a year. On the last occasion at least, if not on others, he served one of the most delicious steaks that I ever ate. I think he is an ideal chairman, though not for that reason alone, by any means. I call attention to the energy with which he pursues the task of promoting tourist trade in Canada. His knowledge, his enthusiasm, and his constant effort are devoted to the work. I wish him long life and continued success in this endeavour.

I heartily approve of this motion to empower the committee to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada. The purpose of the contact with the other organizations is to urge them to do something in this regard. One thinks of the old saying that it is easier to get 10 men to do 10 men's work than it is to do 10 men's work yourself. The way to promote our tourist trade, like almost everything else, is to get a large number of people interested in it and put them all to work.

Honourable senators, I have pleasure in seconding this motion.

Hon. Norman P. Lambert: Honourable senators, it is not my intention to prolong this panegyric of our great natural beauties, but simply to say that I am sure the response which has been given to the present motion is not only a compliment to the newly-appointed chairman and his seconder, but augurs well for the development of the field to which, in the months ahead, the committee will give its attention. My specific purpose in rising is to thank the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) for referring to the fact that in

Canada we have a capital city. Most of us who live here the year round have some reason to know its powers of attraction, for the number of tourists who come to Ottawa from all parts of the United States as well as Canada probably exceeds the flow of visitors to any other place in this country. It is not unusual, each day during the months between sessions of Parliament, to have as many as 5,000 people passing through these halls and around these buildings. Even during the parliamentary sessions the interest which is reflected in the crowds of people who travel through the corridors each day is obvious. Representative officials who relate to them something of the historic background of this building and this country can give eloquent testimony on this feature of their work.

In this connection I should like to suggest to the chairman of the Tourist Traffic Committee that he review some of the matters which were discussed at some length, last year, by the Joint Committee of the House of Commons and the Senate with reference to the development of the federal district and the city of Ottawa, with the very purpose in mind which has been accentuated and emphasized here today. The making of this capital centre of Canada the attractive place which nature has done so much to create for us is closely related to the value of the tourist industry to this country.

I shall not attempt to rival in poetic reference my honourable friends from Nova Scotia (Hon. Mr. Connolly), Prince Edward Island (Hon. Mrs. Inman) and Alberta (Hon. Mr. Gershaw), in relation to the endowments of their particular provinces. May I just say that those who have had the opportunity of seeing something of the Laurentian hills to the north of us, and the Gatineau hills near by, and to know the great possibilities of the Ottawa River once it has been purified, will I think agree with me that the committee could well afford to have before it, at an early date, officials from the Federal District Commission and the City of Ottawa. Improvement of conditions which will extend the beautification and facilities of this capital centre as envisaged in the Greber plan, is certainly pertinent to the work of our tourist committee. I say this because, as I have already pointed out, the presence of thousands of tourists, especially during the summer and fall months, is evidence of the interest which is shown in Canada's capital city and justifies every effort to make it more and more the national centre of this country.

Hon. Muriel McQ. Fergusson: Honourable senators, I do not intend to give you any poetic description of our province of New Brunswick; but I am fortunate enough to be a member of the Standing Committee on

Tourist Traffic and I was asked by the chairman to say a word or two about my province. So I feel that, although the hour is late, I would not be doing my duty to New Brunswick, about which I had intended to speak at rather greater length, if I did not say a few words. I shall limit myself to drawing to your attention some attractions which New Brunswick possesses and which, perhaps, are not to be found in other parts of Canada, although I believe the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) claims that anything to be found elsewhere may be found in Ontario.

Hon. Mr. Roebuck: And better!

Hon. Mrs. Fergusson: Let me mention some things about New Brunswick which I do not believe can be equalled in any other province, even Ontario. First I would refer to one of our fellow citizens, Mr. Leo Dolan, who comes from my own city of Fredericton, and of whom we are very proud. His fellow citizens have watched his career with the greatest interest and admiration. We feel he has done a very great deal to make Canada known throughout the world, and we wish him success in his future activities. We are sorry that in his new sphere he will be away from us and that we shall see him less often.

In some tourist literature New Brunswick is referred to as "the picture province", and I think the term is very apt, because within very short distances a great variety of picturesque scenes can be found. One may start at the Quebec border and follow the beautiful Saint John River down its course. For many years, as honourable senators know, it has been known as "the Rhine of America". The scenes along the river are extremely varied, ranging from the turbulent Grand Falls, near the head, down to the wide placid reaches of the river at Fredericton, where it is bordered by meadows.

I intended to make reference to some of our historic buildings, because we are an old province, but time is short, and the only one I would mention is Christ Church Cathedral, which, I believe, embodies the most perfect Gothic architecture in America.

Following the Saint John river to its mouth, one comes to the Reversing Falls, a phenomenon not to be found in many other places, and very interesting to tourists. You can travel the shore to the United States border from Saint John, or you can start from that old grey city and drive to Moncton, which has the second largest population in the province. On the way, by making a slight detour, one can visit the spectacular Fundy Park. I had forgotten, until someone reminded me, that we have there a very fine golf course, which our visitors extol very highly indeed. Another great attraction is the coastal scenery

in and around Fundy Park, which, I do not think anyone can deny, is as fine as anything in the world. At Moncton can be seen a tidal bore, a wall of water rising sometimes three to five feet, which comes roaring up the Petitcodiac River and fills the creeks and little rivers which flow into it.

Then there is the widely-known Magnetic Hill, near Moncton. It is visited annually by thousands and thousands of people. They come in a doubting mood, but when they park their cars on the hill they find that they back up. Many of them go away as puzzled as when they came. It is a terrific attraction.

If you wish you can travel forty miles from Moncton to the Nova Scotia border, or you can go to Northumberland Strait and follow the shoreline past beautiful beaches of white sand where the bathing is unexcelled. Then you can journey past rugged fishing villages on the way to the Bay of Chaleur. I am taking honourable senators on this imaginary journey to show you why we in New Brunswick believe that nowhere else can you travel approximately 600 miles and see such a great variety of beautiful scenery.

There are many other attractions about which I would like to speak if time permitted, but I cannot conclude my remarks without referring to our wonderful salmon fishing on the famous Restigouche and Miramichi rivers and their tributaries. Each fall our hunting facilities attract people from great distances to our almost unlimited forests. As we have all these attractions for tourists, we in New Brunswick are deeply interested in the activities of agencies which encourage tourist travel. I therefore support this motion wholeheartedly.

The motion was agreed to.

PRIVATE BILL

PÈRES OBLATS DE L'IMMACULÉE CONCEPTION—SECOND READING

Hon. J. J. Connolly moved the second reading of Bill I-7, an Act respecting Les Révérends Pères Oblats de l'Immaculée Conception de Marie.

He said: Honourable senators, I need not detain you for more than a few minutes with reference to this measure. This corporation was originally established by statute in the year 1849 by the former Province of Canada.

The Oblate Order itself was founded in France in 1816, and Oblate Fathers first came to Canada in the early 1840's and established themselves in eastern Canada and, being missionaries, they also went to the western part of this country.

Before dealing with the legal problems presented by this measure it may be worth while to mention some of the people who

were associated with the development of the work of the Order. One of the best known of these was Father Lacombe, whose readable biography, written by Mrs. Katherine Hughes, discloses some interesting stories about the early phases of the development of western Canada. It has been said that Father Lacombe was president of the Canadian Pacific Railway for one hour. He was in his ninetieth year when he died, in 1916, and I am sure there are gentlemen in this house who knew him personally.

Another member of the Order who was probably well known to people in the west was Bishop Breynat, popularly known as the "Flying bishop of the Arctic". He died in France about four years ago.

Then there was Father Brouillard, now a military chaplain, who wrote *Inuk*, an interesting book about the habits and customs of the Eskimo.

The reason for changing the name of this religious organization is explained by the fact that it is a missionary Order, although it does some work in the education field. The new name points up the fact that it is a missionary Order, and I am informed that the word "oblate" means a person dedicated to a religious purpose. The members of this organization are missionary oblates.

This is not an unusual bill in any way, and it follows the lines of similar legislation incorporating religious organizations. Section 2 of the bill provides that the head office will be in Montreal. Section 3 sets forth the objects of the corporation, which are appropriate to an organization of this kind. Section 4 empowers the corporation to acquire and hold real property; section 5 empowers it to borrow money, and section 6 empowers it to invest its funds.

The corporation's power to hold real estate is subject to the mortmain laws of the provinces in which it will operate, and, like other corporate bodies of this kind, it is to be governed by a council of administration, which is similar to a board of directors in a commercial corporation.

Hon. Mr. Connolly (Halifax North): What power has the corporation to sell real estate?

Hon. Mr. Connolly (Ottawa West): I am glad the honourable senator asked that question, for it concerns a problem which confronted me when I was studying the bill. I admit the legislation might be defective in this respect. The corporation should be empowered to dispose of real estate, for from time to time it finds it necessary to do so. This provision could be added to the bill in committee. I would point out that it was contained in similar legislation passed by this house not too long ago.

In the original act of incorporation, passed in 1849, certain restrictions were made as to the manner in which the assets of the Order could be disposed of, and there may be an implied power in those sections for disposing of real estate; but they are really anachronisms. The Order might be willed certain properties and, according to the act of incorporation, if it should be disbanded those properties would be returned to the estates of the persons who willed them. Of course, that is the kind of thing that cannot be worked out in practice today, after so many years, and I think there is a rather interesting sidelight to be looked at by the committee in those sections which are now to be repealed.

I should also add that in 1875 and 1888 bills were passed in the Quebec Legislature which purported to amend the original incorporating act, and in 1901 and 1933 bills were passed in the Ontario Legislature to the same effect. Strictly speaking, I think that the measures passed by the two provincial houses were not effective to change the original act of incorporation passed by the Parliament of the United Province of Canada, but they may perhaps have conferred certain powers which could be exercised by the corporation within two provincial jurisdictions.

For the purpose of gathering all these various enactments together, not only is the original act incorporating the organization made a schedule to this bill but the two measures passed by the two provinces are also added as schedules.

At the present time the Order operates in most, if not all, of the provinces of Canada. From time to time various divisions have been created for the better administration of the Order's activities. For example, it has a subdivision called the Province of St. Peter, which serves the purpose of the English-speaking portion of the population, so-called. A bill of incorporation was passed in this chamber not long ago for the establishment of Assumption Province, whose work is mainly with the Polish people. Another subdivision is St. Mary's, of Regina, which looks after the requirements of the German-speaking population in certain parts of Canada.

In addition to the work of the Order in the provinces themselves there are seven divisions of its work in the far-flung reaches of the north country. Altogether there are some 6,000 members of the Order, both priests and lay brothers, doing work in Canada; they do not only missionary and religious work, but also educational work, and the

Order is now, and has been for many years, in charge of the University of Ottawa.

Personally, I have a great deal to thank the Oblates for, in that most of my education was received at their hands, in the University of Ottawa—although I must confess I am not a very good example of the kind of product they turn out.

Hon. Mr. Macdonald: We do not agree with that statement.

Hon. Mr. Connolly: Thank you.

Honourable senators, if the bill receives second reading, I will move that it be referred to the Committee on Miscellaneous Private Bills.

Hon. Jean-François Pouliot: Honourable senators, before this bill is referred to a committee I must say that the Order of Oblates deserves the respect and admiration of the people of Canada for the magnificent educational work it has done and for its missionary work in the north. I had a classmate, who is now an Oblate Father in the north of Saskatchewan. He has spent most of his time with the Indians; he tries to do his best for them, and has sacrificed himself on their behalf.

I could make a long speech about the founder of the University of Ottawa, the Reverend Father Tabaret, who has been rector of that institution for over 35 years, and about all the professors of that splendid institution. It is now divided into St. Patrick's College as well as the University of Ottawa. The Oblates have been interested not only in education, but also temperance. In Quebec City there was a Father Lelièvre, who was known throughout the whole province, and who did a lot to improve conditions with regard to temperance.

Honourable senators, I cannot close my remarks without making special mention of a man who was a religious of that Order, and who was born at Rivière-du-Loup, where I live; I mean, Monseigneur Alexandre-Antonin Taché, who was Archbishop of St. Boniface. He was such a remarkable man that it was said during his lifetime that he was qualified to be Prime Minister of Canada.

I bow to all the great men who belong to this Order. They are great Canadians. If they need some kind of legislation to promote the excellent work they do, I am all for it.

Hon. Senators: Hear, hear.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), the bill was referred to the Standing Committee on Miscellaneous Private Bills.

DIVORCE BILLS

SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill J-7, an Act for the relief of Joseph Adelard Gerard Leclair.

Bill K-7, an Act for the relief of Thomas Jeremie Foulds.

Bill L-7, and Act for the relief of Evelyn Gladys Douglas Fox.

Bill M-7, an Act for the relief of George Johnstone Gray.

Bill N-7, an Act for the relief of William Ross MacDonald.

Bill O-7, an Act for the relief of Marie Therese Ibbotson Collins.

Bill P-7, an Act for the relief of Donna Ruby Stallworthy Black.

Bill Q-7, an Act for the relief of Mildred Edith Shaw Boulard.

Bill R-7, an Act for the relief of Shirley Edythe Fairlie Scarff.

Bill S-7, an Act for the relief of Lily Stall Dixon.

Bill T-7, an Act for the relief of Hazel Gladys Rees Webb.

Bill U-7, an Act for the relief of Violet Kert Hausman.

Bill V-7, an Act for the relief of Angelina Szpilakowska Rzasza, otherwise known as Angela Szpilakowska Rzasza.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until Tuesday, March 5, at 8 p.m.

THE SENATE

Tuesday, March 5, 1957

The Senate met at 8 p.m., the Hon. Thomas Vien, P.C., Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

EXPORT CREDITS INSURANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 46, an Act to amend the Export Credits Insurance Act.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the the Standing Committee on Divorce, presented the committee's reports Nos. 224 to 237, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

PRIME MINISTER OF FRANCE

ADDRESS TO MEMBERS OF BOTH HOUSES

Hon. W. Ross Macdonald: Honourable senators, with leave, I move:

That the address of His Excellency Guy Mollet, Prime Minister of France, to members of both houses of Parliament delivered on March 4, 1957, and other addresses delivered on that occasion, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate*, and form part of the permanent records of this house.

The motion was agreed to.

See Appendix "A" to today's *Hansard*, pp. 310-15.

PRIVATE BILLS

CO-OPERATIVE LIFE INSURANCE COMPANY—
REFUND OF FEES

Hon. Donald Cameron moved:

That the parliamentary fees paid upon a proposed bill of Co-operative Life Insurance Company, of the city of Regina, in the province of Saskatchewan, for an act to amend its Act of Incorporation, be refunded to Messrs. Milliken, Milliken and Rutherford, Regina, Saskatchewan, solicitors for petitioners, less printing and translation costs.

He said: Honourable senators, the promoters of this bill have decided not to proceed with it at this session.

Hon. Mr. Roebuck: Was the bill given first reading?

Hon. Mr. Cameron: No.

The motion was agreed to.

EQUITABLE FIRE INSURANCE COMPANY
OF CANADA—FIRST READING

Hon. Cyrille Vaillancourt presented Bill K-8, an Act respecting Equitable Fire Insurance Company.

The bill was read the first time.

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

Hon. Mr. Vaillancourt: With leave, next sitting.

WESTERN ASSURANCE COMPANY—
FIRST READING

Hon. Arthur L. Beaubien presented Bill L-8, an Act respecting The Western Assurance Company.

The bill was read the first time.

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

Hon. Mr. Beaubien: With leave, next sitting.

BRITISH AMERICAN ASSURANCE COMPANY—
FIRST READING

Hon. Mr. Beaubien presented Bill M-8, an Act respecting The British America Assurance Company.

The bill was read the first time.

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

Hon. Mr. Beaubien: With leave, next sitting.

BISHOP OF THE ARCTIC—FIRST READING

Hon. G. Percival Burchill presented Bill N-8, an Act respecting the Bishop of the Arctic.

The bill was read the first time.

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

Hon. Mr. Burchill: Thursday next.

DIVORCE BILLS

FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill Z-7, an act for the relief of Ludmila Eremeeff Mazaraky.

Bill A-8, an act for the relief of Mary Elizabeth Williamson Miller.

Bill B-8, an act for the relief of Phyllis Shirley Moore Lariviere.

Bill C-8, an act for the relief of Joseph Ricardo Bouziane.

Bill D-8, an act for the relief of Grzegorz Niski, otherwise known as Gregory Niski.

Bill E-8, an act for the relief of John Masson Garland.

Bill F-8, an act for the relief of James Frederick Greengrass.

Bill G-8, an act for the relief of Jeanne D'Arc Ouellette Martin.

Bill H-8, an act for the relief of Theophila Yanishewski Lazoryk.

Bill I-8, an act for the relief of David Hutcherson MacKay.

Bill J-8, an act for the relief of Karl Heinz Grube.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

THIRD READINGS

Hon. Mr. Roebuck moved the third reading of the following bills:

Bill J-7, an Act for the relief of Joseph Adelard Gerard Leclaire.

Bill K-7, an Act for the relief of Thomas Jeremie Foulds.

Bill L-7, an Act for the relief of Evelyn Gladys Douglas Fox.

Bill M-7, an Act for the relief of George Johnstone Gray.

Bill N-7, an Act for the relief of William Ross MacDonald.

Bill O-7, an Act for the relief of Marie Therese Ibbotson Collins.

Bill P-7, an Act for the relief of Donna Ruby Stallworthy Black.

Bill Q-7, an Act for the relief of Mildred Edith Shaw Boulard.

Bill R-7, an Act for the relief of Shirley Edythe Fairlie Scarff.

Bill S-7, an Act for the relief of Lily Stall Dixon.

Bill T-7, an Act for the relief of Hazel Gladys Rees Webb.

Bill U-7, an Act for the relief of Violet Kert Hausman.

Bill V-7, an Act for the relief of Angelina Szpilakowska Rzasa, otherwise known as Angela Szpilakowska Rzasa.

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

CANADA COUNCIL BILL

SECOND READING

The Senate resumed from Wednesday, February 27, the adjourned debate on the motion of Hon. Mr. Macdonald for the second reading of Bill 47, an Act for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences.

Hon. G. Percival Burchill: Honourable senators, after listening to the excellent speeches which have been made by the honourable senator from Fredericton (Hon. Mrs. Fergusson) and the honourable senator from Inkerman (Hon. Mr. Hugessen), who are members respectively of the governing bodies of Mount Allison University and McGill, I felt I should add something in support of this legislation.

I have had many years' association with some of the universities in the Maritime provinces. I have had the honour and distinction of being for many years a member of the Senate of the University of New Brunswick, and of being on the board of governors of King's College, in Halifax, so I know something of the problems which face Canadian universities at the present time and have confronted them for some years past.

Before I go further, let me say that I do not think that the honourable senator from Fredericton overstated the case for Mount Allison Art School.

I would even be tempted—and I hope I am not offending my honourable friend from Banff (Hon. Mr. Cameron)—to say that there are a great many people who regard the Mount Allison Art School as the best art school in Canada. At least, I can say that it has a national reputation.

The next thing I would like to remind honourable senators of—and I hope they have not overlooked this—is that the two estates which my honourable friend from De la Durantaye (Hon. Mr. Pouliot) told the house were earmarked for this capital sum were the estates of two distinguished sons of the Maritime provinces. By their industry, ability and courage they accumulated during their lifetime the estates which are providing the moneys to be set aside for this worthwhile purpose.

When I first heard of this legislation my mind went back to a very eloquent speech which was delivered in this chamber by the late Honourable Senator David on June 19, 1946. Those of us who were present on that occasion will perhaps recall that address, which I consider to be one of the most outstanding addresses I have ever heard here. Honourable members who have come to the

Senate since that time would do well to read the report of that speech in *Hansard*. In my opinion it is one of the finest speeches ever made on Canadian literature, and I think that copies of it should be distributed to every student in arts in Canada. The honourable senator was pleading in support of a resolution which he moved expressing the wish that it might please the Government to foster the production of literary, scientific, economic and social works in this country and create a prize in literature to be awarded by a jury selected by the Government. In summing up, near the end of his very able speech, he said:

We must remember that literature and the arts are the real and durable foundation of national greatness. . . . The greatness of a nation resides in the minds of its people.

And in his final paragraph he quoted from Wilfred Eggleston, Honorary Secretary of the Canadian Writers' Foundation, these words:

The creative energy that flows in artistic channels has characteristics peculiarly its own. In its highest manifestation it can confer more glory upon a nation than any other form of human activity.

Senator David's resolution was passed unanimously by the Senate. I am quite sure that if he were with us tonight he would endorse the legislation now before the house and agree with me that there is no better way to foster the arts, humanities and social sciences than by the granting of scholarships. Those of us who are associated or connected with a university are aware of the large number of applications by students for scholarships. Young men and women in almost every community across Canada are unable to enter college without some form of financial assistance. If for lack of scholarships or student loans a potential leader in any of the professional fields of medicine, law, education or other field is denied a university education because his own province is not in a position to provide that financial assistance, what is the alternative? He will probably go to the United States on a scholarship from an American university, as a great many Canadians have been forced to do, and become an American citizen. Many such people have become leaders in American life. In fact, throughout the United States Canadians are found as leaders in every field of human endeavour.

The second part of this proposed legislation, namely, the capital grants to universities, is a recognition by the top level of Government of the contribution our universities are making toward building a better Canada. Perhaps it would not be amiss at this time to remind ourselves just what are the functions of Canadian universities. For

my part, I can think of no better conception of a Canadian university than the description which that eminent Canadian John Bassett gave on the occasion of his installation as Chancellor of Bishop's university, Lennoxville. Surrounded by such an eminent group of men on the platform as Premier Duplessis, Sir James Dunn, the Honourable Mr. Justice Abbott, Lord Beaverbrook, the Honourable Ray Lawson, the great playwright Robert E. Sherwood, and many others composing a distinguished company, he declared:

Our universities must be, above all else, places where the spirit may be fortified for life's hard journey and where the aspect of ancient truth, that is the most necessary for that journey, be cherished and imparted: and what truth is most necessary for our age? May I suggest to you that it is the ancient truth spoken by Pericles some 2,400 years ago when he said "The secret of freedom is courage". That secret was never more needed than it is today and it is needed not only that we may be of good heart amidst the world's anxieties; it is needed also because there are so many persons and so many groups seeking to preach the gospel of dependence and self distrust. The mind formed by the university should be one strengthened to resist those who cleverly seek to discredit individual effort and make of dependence almost a social virtue. All this is a fallacy that our universities should be resolute to expose.

The need for self-reliance arises from the fact that no man can ever escape, that in all the ultimate things of life and experience, the things that make thought and decision and faith, man is alone with himself. A Canadian university has a special obligation to teach the freedom of courage. Much has been said in this land about security but Canada must seek security as a reward rather than as an escape.

But there is another function which our Canadian universities are performing at the present time: they are preserving our Canadian unity. Honourable senators, do you realize they are one of the few influences in Canada that are holding us together? We are becoming alarmingly sectional. Our approach to every measure is sectional, and for every speech one hears on Canadianism, one hears a dozen on provincialism. Economics is pulling us apart, and the faster the wheel of business whirls, the higher our national income mounts, the greater the strain on our national unity. There are no provincial boundaries or barriers to the culture and knowledge which flows from our halls of learning. We at the University of New Brunswick have sent, and are sending, foresters to British Columbia. My late classmate Peter Z. Caverhill was one of the pioneers, and became British Columbia's chief forester. The chief forester of British Columbia today is another graduate of the University of New Brunswick. In fact, wherever there is the smoke of a paper mill or pulp mill across Canada, you will find foresters trained at the University of New Brunswick. We have sent geologists to

Alberta and Ontario, and educationalists to Manitoba and Saskatchewan. In turn, we have received distinguished people from other provinces. We have to thank British Columbia for sending us Dr. Argue, Dean of the Faculty of Science at the University of New Brunswick; he has made a notable contribution to our university and to our province.

What I have said about the University of New Brunswick can be applied to every university in Canada. This habit of interchange is as it should be, and I hope that it will ever continue, for it binds together this great dominion of ours. I submit that that in itself is a sufficient reason for Canadian universities to look to the Dominion treasury for help in their problems—and they have many of them. The problems that have confronted Canadian universities in the past ten years have been colossal. I speak of the University of New Brunswick, and what I say applies to any university in Canada. The President and Senate there have been beset with the difficulty of finding accommodation facilities for the large number of students who desire to enrol, and this, notwithstanding the generosity of our great benefactor, the honorary chancellor, that illustrious son of New Brunswick, Lord Beaverbrook, who, among his many gifts, has presented the university with a men's residence, in memory of Lady Beaverbrook; a gymnasium not equalled in eastern Canada, nor indeed anywhere in Canada; a library which houses among its treasures the private papers and documents of the late Right Honourable Andrew Bonar Law and the late Right Honourable David Lloyd George; a modern rink; a women's residence; a law library in the city of Saint John, completely furnished; and an art centre in Fredericton, which is now in course of construction.

In addition to all this, the provincial Government and the alumni and alumnae associations, and friends of the university have made available in the last ten years upwards of \$2 million which has been used in the erection of new buildings, laboratories and equipment. Notwithstanding all this, the problems ahead loom large.

Last year the president of the university appointed a committee of the faculty to study the situation and potential growth over the next ten years. I have a copy of their report in my hand, and its recommendations as to what will be needed in capital expansion to take care of an expected enrolment of 2,200 students is staggering. At the present time the enrolment is 1,286, of which 65 per cent only is from New Brunswick, the balance being from all over the world. The list is impressive. The students come from: New Brunswick, Quebec, Ontario, Nova Scotia, Prince

Edward Island, Newfoundland, Manitoba, Saskatchewan, Alberta, British Columbia, North West Territories, the United States, the British West Indies, Great Britain, British Guiana, Eire, Bermuda, Hong Kong, Formosa, Puerto Rico, Venezuela, Brazil, Holland, the Netherlands Antilles, France, Germany, Greece, Italy, Indonesia, Lebanon, Nigeria and India.

Honourable senators, surely I have said enough to show that the University of New Brunswick and similar institutions are no longer provincial but national and, as such, have a claim on the dominion treasury.

My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) is doubtful of the efficiency of the machinery which is being set up to administer this fund. I do not like to disagree with my honourable friend, for he is the greatest artist among us. If anyone doubts my words, let him pay a visit to my friend's studio and see the works of art which he has created. If the Right Honourable Sir Winston Churchill, as a British statesman, has won renown as a landscape painter, then my honourable friend, as a Canadian statesman, is in the front rank as a portrait painter. However, in this instance, like my honourable friend from De la Durantaye (Hon. Mr. Pouliot) on another occasion, I shall have to enjoy the luxury of disagreeing with the senator from Toronto-Trinity. This legislation is based on the pattern which has been tried and proven in England. There the Arts Council, appointed by the Government, supplements the work of local and voluntary associations by bestowing government grants. It is interesting to note that in the report of the council for 1953-1954 they made this statement:

If half a million pounds of the public money now invested annually, by the Arts Council and local authorities, in opera, ballet, theatre and music were withdrawn, nearly all the national institutions of music and drama in this country would have to close down. Convent Garden, Sadler's Wells and the Old Vic would be "dark"; such famous orchestras as the Halle, Liverpool Philharmonic, Yorkshire Symphony, City of Birmingham, London Philharmonic and Scottish National would forthwith be disbanded. Every single body receiving a grant from the Arts Council, whether it be the Royal Opera House or a modest music society in a small village, is wholly self-governing in all its affairs.

This is the principle which has been affirmed by Lord Beveridge, the father of social insurance, after a lifetime of study, that government grants alone are not sufficient, but that room, opportunity and encouragement must be kept for voluntary action in seeking new ways of social advance. Fruitful co-operation between public authorities and voluntary agencies—that is the important thing! And, that is what I would look to the Canada Council to promote.

My honourable friend from Toronto-Trinity suggests there is a danger that irresponsible men may be appointed to the council. I do not think "irresponsible" is the right word. I have for about fifteen years been a member of a committee charged with the responsibility of administering university entrance scholarships and overseas scholarships donated by Lord Beaverbrook. All are very valuable. Last fall, I recall, we had 115 applications for 15 scholarships. The members of that committee have over those years given of their best most conscientiously and zealously, using every possible yardstick of fairness and justice in an attempt to carry out the terms of the trust to which we the members were committed. No group of men could have been more meticulous in their care to see that the best interests of all were served in the selection of applicants for scholarships. I think of the Canada Council as being composed of the same calibre of men, and I feel satisfied that they will carry out, in an acceptable manner, the trust committed to them.

Last fall, at the University of New Brunswick, it was imperative to find living quarters for our students. The residence was full, and appeals to the householders of Fredericton revealed that every available place was occupied. Our Chancellor, Lord Beaverbrook, made an appeal to the citizens of the province for money to start the first wing of an additional men's residence. That great philanthropist of Montreal, Mr. J. W. McConnell, started the fund with \$100,000; the Province of New Brunswick followed suit; and cities and towns, municipalities, corporations and individuals responded so generously to the Chancellor's appeal that over \$400,000 was subscribed and the building became a reality.

I have no hesitation in supporting this legislation. I think it is sound and progressive. If the response of the citizens of New Brunswick to the appeal of Lord Beaverbrook last fall for funds to erect a students' residence at the University of New Brunswick is any indication of how they feel about education, I believe they would support this legislation too.

Hon. Donald Smith: Honourable senators, it is with some hesitation that I follow the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill), because of the excellence of his speech and the manner in which he has discussed the subject before the house. I do not intend to engage your attention for very long, but I did feel that there were several things which I should say in this debate; and I might add that I am saying them because I think that what I have to say will interest the people in my

province—more perhaps than those who live in other parts of Canada.

I think it is fitting, honourable senators, that we should be discussing the bill at the present time. This is education week, and here are we in the Senate talking about education. I am reminded of a slogan in common use some years ago, that "education is everybody's business". Well, we are making it our business here tonight, and at the same time reminding ourselves and others that education is everybody's business every day.

Unlike the honourable senator from Northumberland-Miramichi, I do not intend to refer to what has been said previously in the debate. There have been some opinions expressed with which I cannot agree and others with which I am in accord. In any case I respect those who hold views divergent from my own.

I am glad to note that in the other place, when this bill was being discussed, no real difference of opinion developed among the major parties on the principle of the legislation. The Government supporters were joined by members of the official Opposition and the C.C.F. party in endorsing the setting up of the Canada Council. I believe it is also noteworthy that for several years members of the official Opposition in the other place have been in the forefront of those pressing the Government to adopt the recommendation of the Massey Commission and bring forward legislation to set up the Canada Council.

I do not believe that at this point in the debate it is necessary for me to review the contents of the bill, but for the purpose of what I am going to say in a moment I should like to point out that it provides that allocation of the funds shall be made in a manner that takes that allocation out of politics, and removes the fear of the possibility of political control of the arts and cultural activities.

The bill provides that the membership of the council will be constantly changing. It provides for an annual report to Parliament, so that we may make an examination of its activities. In connection with the setting up of the council, the provision of funds does not constitute a continuing budgetary requirement. In my opinion, all this adds up to good legislation.

It has been mentioned before, but may I repeat, that due to the receipt of unforeseen succession duties from two very large estates, the Government has been able to provide \$100 million for the purposes of the council. Of this sum, \$50 million is provided for allocation to universities and colleges to assist them in their future construction programs. In addition, \$50 million is to be held by the

council as an endowment fund, the income only to be used to encourage the arts, humanities and social sciences. That is to say, about \$2 million per annum will be available for this purpose.

There have been distorted conclusions expressed, though not in this chamber, concerning the effects of this bill, and I am sure some misconception and misunderstanding exists because instances have been reported to me as emanating from people in my own province.

It has been said outside Parliament, and perhaps it will be repeated with more emphasis during the next few months, and particularly until the month of June is past, that we are proposing to spend \$100 million of the people's money to promote the painting of pretty pictures while other needs of the Canadian people are not being attended to. Of course that is nonsense, and completely untrue. It will be deplorable if such things are said by responsible people—and such things are a commentary on the type of person who would repeat them although knowing them to be untrue. I might add that as the spokesmen for the major political parties have endorsed the proposal of an endowed Canada Council, no doubt they will dissociate themselves from any within their ranks who would voice these untruths and distortions.

It occurs to me that Nova Scotians may be wondering what this bill will do for their province, and I suppose what I say here will be applicable to any province in Canada but in varying degrees, depending on the population of each province. First, in Nova Scotia a sum estimated at \$2 million will be available for the construction programs of our universities, provided the amount is matched by contributions from other sources. Here surely is an opportunity for those who have had some financial success in the business world, whether they be Nova Scotians, ex-Nova Scotians, or other Canadians, and who recognize the contribution made to Canadian life by our relatively small universities, to assist in providing these matching amounts. Here also is a challenge to all alumni to do something for those universities which have made such an important contribution to their personal success in life and to do it at only a fraction of the cost of providing them with their education. This may be the time for many to consider paying a substantial instalment on their personal debt to their Alma Mater.

Another question that might be asked is, what can be done with Nova Scotia's share of the general fund of \$50 million to carry on the work of the council? Not so long ago someone from another part of Canada was

quoted as saying that Nova Scotia was without culture. From the reaction of the press to that statement, that person now knows of our college of art, our drama societies, our symphony orchestra and so on. Here, certainly, is an opportunity, through the activities of the Canada Council, to stimulate and encourage such culture activities as I have just mentioned.

There is another field of cultural expression in this old region of Canada to which, I hope, the Canada Council will give consideration. I refer to the field of local history. In this field great work has been done in recording the detailed history, the old folk songs and the true tales of the sea, but it will need assistance if a complete record of the early culture of this part of Canada is to be secured. The time is fast running out when sources of original folk songs and sea shanties and stories of our life on the sea will be available. A great debt of gratitude is owing to those who, at considerable personal sacrifice of time and money, have succeeded in recording a part of our early cultural activities, as well as the details of our history, and have made such records available for future use. Such contributions should be encouraged by the Canada Council in the future.

Now, a word regarding scholarships for our students. When one recalls the limited economic opportunities available in the past in Nova Scotia, it is refreshing to reflect on the great numbers of our people who have been able to struggle through our universities. At the same time one cannot reflect without sadness on how many young men have tried, but in vain, to secure a college education. I know of cases where sheer poverty and hunger have forced them to abandon their university studies. One man told me that, during his college days, on his way from part-time work to his lodging, he would pause and look in a restaurant window at the food on display until tears blurred his vision. Such was his hunger! This man was ultimately forced to abandon his studies and enter the business world. Later he settled in Ontario, where he became an outstanding success in his second-choice field. He is now seeing to it that others are enabled to obtain higher education without having to endure hunger in the pursuit of it.

This leads me to my final point. I hope that in setting up scholarships the Canada Council will give suitable recognition to talented and brilliant young Canadians, particularly those who should be encouraged to continue with postgraduate studies. But, as well, I hope that special recognition will be given to the financial position of those students with demonstrated ability and capacity who cannot finish undergraduate studies

without assistance in the form of scholarships. Canada's future in the arts, humanities and social sciences will surely suffer unless the Canada Council sets an example for others to follow in filling this need of financial assistance.

Another way in which financial assistance could be rendered to deserving students is through the establishment of students' loan funds. Such loans are now available in most universities, but the funds do not begin to meet the need. In order to establish such revolving funds which would meet the need in a substantial measure, the Canada Council could consider setting up a system of matching grants to universities for this purpose, so that private individuals would be encouraged to do more than they have done in the past in this field.

Finally, I am hopeful that this bill to set up the Canada Council, and the debate on it, will result in a general public awareness of the problems of higher education. I trust too that Canadians will have reason some day to be proud of the way in which these problems have been met and that Canada's cultural activities will keep pace with our national growth and development in other fields.

Hon. W. Ross Macdonald: Honourable senators,—

The Hon. the Acting Speaker: I would draw to the attention of the house the fact that if the honourable Leader of the Government, (Hon. Mr. Macdonald) speaks now he will close the debate.

Hon. Mr. Macdonald: Honourable senators, I am sure you will agree that it is not necessary for me to make a long address in closing this debate. The discussion throughout has been on a very high level; all the speeches have been excellent. Nor has there been a great difference of opinion. The only point on which some disagreement has been expressed is with regard to the method by which the arts, humanities and social sciences should be developed. It is not my recollection that any honourable senator wishes to leave the impression that he was adverse to the main purposes of the bill. So, I repeat, the discussion has been maintained on a very high plane, as it should be when the subjects dealt with are music, drama, painting, literature—things of lasting and abiding value, not the fleeting pursuits which occupy the minds of men from day to day.

I have been very pleased, as I am sure all honourable senators have been, with the tone of the debate. It is not my intention to comment individually on these admirable addresses, but if time permitted I would be

pleased to do so and to congratulate in turn each honourable member who has spoken.

While no one has questioned the value of the arts, the humanities and the social sciences, one honourable senator expressed the opinion that financial aid should not be extended under the bill to the social sciences. I do not know why he took that stand, since he approves of assistance in the proper direction to the arts and the humanities. I understand the term "social sciences" to mean the study of anthropology, economics, geography, law, political science, psychology, sociology and related subjects. Why they should be excluded from the purview of the bill I do not know.

This evening the honourable senator who preceded me referred to the fact that we have in our midst an artist of unusual ability. Any honourable senator who doubts this, he said, should go to the office of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and see his work. Now I would like to add an invitation to all honourable members to come to my office after we rise this evening and see the portrait which the honourable gentleman made of a very difficult subject. I refer to the painting he did of me. It is indeed an excellent portrait. Incidentally, I did not have even one sitting for it. In fact, I did not know it was being done, and one day my honourable friend asked me into his office to see something. I walked in and stood for a while admiring a landscape, and when I turned around I was face to face with a portrait of myself. I hope all honourable senators will come into my office this evening, or on the earliest occasion afterwards, and see this excellent work of art. And may I take this opportunity of expressing publicly the thanks that I have already expressed privately to the honourable senator from Toronto-Trinity.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: Honourable senators, it was suggested at one time during this debate that the Government was endeavouring to introduce something new into the educational life of Canada. Well, I tried to make it abundantly clear when I introduced this bill that it did not create anything new. I endeavoured to leave the impression that since the development of this country began our people, through our universities, have been very successful in developing the arts, humanities and social sciences. This bill, therefore, will not create anything new; it will merely encourage this development.

May I read a portion of the speech I made when moving the second reading of this bill? I said:

Honourable senators will therefore appreciate that the purpose of this bill is not to create in Canada

some new or strange or hitherto unexplored field of human endeavour. It is designed to give some measure of effective encouragement to things which the Canadian people have already shown through successive generations that they believe to be of lasting value.

I repeat tonight that the purpose of this bill is to encourage rather than to create anything new in the development of the arts, humanities and social sciences.

I think I can safely say the only objection may be to the method by which this encouragement is being given. It has been suggested that the distribution of the money should be made by the provinces. This money is being contributed, as an honourable senator has said earlier this evening, to help all universities in Canada. It is a national effort and not a provincial one. The reason why the Council is being set up to administer these funds, rather than having them administered by provincial Governments, is to keep the matter away from politics. It is hoped that the Canada Council will be far removed from the political scene. The Council will not be responsible to the Government, and it will only be responsible to Parliament in that it will have to give an annual report of its expenditures to Parliament.

I do not believe any honourable senator would suggest that universities do not need assistance. In this connection may I refer to a resolution which was unanimously passed during a national conference on "Canada's Crisis in Higher Education", which was held in Ottawa last November. In this resolution the conference expressed:

Their considered opinion that it was their urgent duty to warn the people of Canada that the problem of universities has become an emergency of national concern to the certain disadvantage of our progress and standing as a nation, and can only be solved by the energetic and immediate assistance and co-operation of all governments in Canada, of business and industry and of private benefactors.

Honourable senators, that sets forth my view as to the necessity of this Council. I would emphasize that statement that the problem "can only be solved by the energetic and immediate assistance and co-operation of all governments in Canada, of business and industry and of private benefactors."

It will be recalled that this bill provides for an outright contribution of \$50 million to be distributed to the universities in Canada by this organization. The other \$50 million is set up as an endowment fund. It is not an annual grant which must be spent in any one fiscal year, but it is hoped that the fund will not remain at \$50 million. Governments, business and individuals have been invited to contribute to the fund so that a sum vastly in excess of \$50 million may be established. The money will not be used to

assist students in any one college. It has been suggested that the money should be distributed in equal parts among the ten provinces. Well, the fund will be used to help citizens everywhere in Canada, so that students from the smallest province will be eligible to receive the same assistance as students from the largest province.

Hon. Mr. Reid: The word "humanities" as it is used here has rather intrigued me. How all-embracing is it?

Hon. Mr. Macdonald: I would say that the word "humanities" is taken to mean the study of history, literature, foreign languages, philosophy and related subjects.

Hon. Mr. Reid: Thank you.

Hon. Mr. Macdonald: Humanities would include the studies one follows when taking an arts course at a university. The point I want to make is that it is wise to have this \$50 million fund, which is designed to assist Canadian university students irrespective of where they live, administered by a central organization such as the Canada Council.

Honourable senators, this is a new venture; we hope it will be successful and that it will aid and encourage what has been done so well in the past; we also hope it will be done even better in the future. Although there are differences of opinion as to the method by which the arts, humanities and social sciences should be developed, I trust that advantage will be taken of the opportunity to launch this new venture, and that the bill will receive the unanimous support of the house.

Hon. Senators: Hear, hear.

Hon. Mr. Euler: May I ask my honourable friend a question? I understand that the bill provided for an advance of \$100 million, of which \$50 million is to be an immediate contribution—I suppose without any strings attached—to the universities; and the remaining \$50 million is to be in the form of an endowment. Is it proposed that the \$50 million grant to the universities is to be an annual contribution?

Hon. Mr. Macdonald: No; the \$50 million ends the grant to the universities at least for the time being. If there is to be a future grant, this bill would have to be amended or a new bill introduced.

Hon. Mr. Baird: I presume that if some wealthy individuals die their estates will be permitted to make a contribution?

Hon. Mr. Macdonald: I believe that presumption is correct.

The Hon. the Acting Speaker: Honourable senators, it has been moved by the Honourable Senator Macdonald, seconded by the

Honourable Senator Vaillancourt, that Bill 47, an Act for the establishment of the Canada Council for the encouragement of the arts, humanities and social sciences, be now read a second time. Is it your pleasure to adopt the motion?

Hon. Mr. Horner: On division.

Hon. Mr. Pouliot: On division.

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

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

Hon. Mr. Macdonald: Next sitting.

TERRITORIAL LANDS BILL

SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill F, an Act to amend the Territorial Lands Act.

He said: Honourable senators, this is a short bill. Perhaps if I read the explanatory note, which sets forth the purpose of the bill, it will be the simplest way to follow the amendment. It reads as follows:

This act refers in sections 15 and 17 to a stipendiary magistrate. There are now no longer any stipendiary magistrates for the Yukon Territory or the Northwest Territories. The purpose of this Bill is to substitute for stipendiary magistrate a judge of the appropriate Territorial Court.

Honourable senators, I have the act before me. The words "stipendiary magistrate" appear in section 15 (1) and (2), and in section 17. It is proposed by the bill to substitute the word "judge" for the words "stipendiary magistrate".

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

THIRD READING

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

Hon. Mr. Macdonald: Honourable senators, is there any objection to third reading now? If not, I move the third reading of the bill now.

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

CANADA SHIPPING BILL

SECOND READING

Hon. Donald Smith moved the second reading of Bill G, an Act to amend the Canada Shipping Act.

He said: Honourable senators, this is a very simple bill, which I think requires a short and simple explanation.

Under section 493 of the Canada Shipping Act, which is the penalty section, the owner or master of any Canadian ship is liable to a fine for violation of safety regulations made under this part of the act. The term "Canadian ship" is defined in the act as meaning a ship registered in Canada; therefore, it has been found impossible to prosecute successfully for violation of safety regulations in cases where the Canadian ship involved is not registered in Canada. Section 8 of the act, as amended last year, provides that ships and yachts not exceeding 15 tons register tonnage are exempted from registry under the Canada Shipping Act but a very large number of ships which it was intended to regulate in so far as safety measures are concerned cannot be so regulated, because of the wording of the penalty section.

It is my information that prosecutions attempted have been unsuccessful, and Department of Justice officials have advised that this situation is rightly so. Therefore, to carry out the intention of the legislation in the interests of safety it is necessary to change the expression "any Canadian ship" to read "any ship".

The word "ship", as defined in the act "includes every description of vessel used in navigation not propelled by oars".

The word "vessel", in turn, as defined in the act, "includes any ship or boat or any other description of vessel used or designed to be used in navigation".

Honourable senators, I will leave it to my lawyer friends in this house to judge whether the penalty clause will be sufficiently strengthened by the proposed amendment.

Hon. Mr. Reid: May I ask the honourable senator what is the reason for striking out the words "Canadian ship" and substituting "any ship"?

Hon. Mr. Smith (Queen-Shelburne): As I mentioned in my explanation, the real purpose of the amendment is to change the wording of the act from "Canadian ship" to "ship". Under the act "Canadian ship" is defined as meaning a ship registered in Canada; whereas the use of the general term "ship", which includes vessels of all kinds, whether registered in Canada or not, would bring all ships within the jurisdiction of the safety regulations of the Canada Shipping Act. In the circumstances, it became desirable to ask Parliament to amend the act to accomplish this purpose.

Hon. Mr. Reid: I do not quite understand why a ship which is not registered in Canada should come within the jurisdiction of the

Canada Shipping Act. Would a vessel from the United States, for instance, become subject to our regulations?

Hon. Mr. Smith (Queens-Shelburne): If it came to one of our ports, it would be subject to the penalty clause of the act, under the proposed amendment.

Hon. Mr. Roebuck: Honourable senators, what bothers me with respect to this proposed amendment is how this house came to pass legislation which now requires such a major amendment. Speaking from memory, I recall that only last year we gave full consideration to a revision of the Canada Shipping Act, and to the approval of an international convention for the prevention of the pollution of the sea by oil. I recall that we studied certain safety regulations with regard to the equipment carried by ships, and so on. We must have known at that time that the penalties under those amendments applied only to ships registered in Canada.

My question is, how was it possible that we made what now appears to have been a major blunder? Although I am not from a Maritime constituency, I attended at least one lengthy committee meeting at which the revision of the act was thoroughly studied.

Hon. Mr. Croll: Judges sometimes make mistakes.

Hon. Mr. Roebuck: I cannot understand how we overlooked making the penalties with respect to the most important matter of safety apply to all the ships to which they should apply. Can the honourable senator explain to me how we made such a blunder?

Hon. Mr. Farris: It seems to me that my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck), is the one who should explain that situation, not the senator from Queens-Shelburne (Hon. Mr. Smith).

Hon. Mr. Roebuck: Honourable senators, my answer to that observation is that I do not believe we made a blunder. There must be some explanation of this situation besides just an oversight by this house. My point is, we reviewed this legislation very carefully, not only when the act was amended last year, but when it was originally passed. Surely this is not just an oversight on our part.

Hon. Mr. Quinn: Honourable senators, may I say that this amendment is intended to cover ships that are owned in Canada but registered in other countries. For instance, quite a number of Canadian ships are registered in great Britain and also in Panama. Those ships would be covered by this proposed amendment.

Hon. Mr. Croll: Obviously what has happened in this instance is that a prosecution was attempted under the provisions of the act, and the presiding judge ruled that the penalties did not apply to certain ships.

Hon. Mr. Roebuck: That is obvious.

Hon. Mr. Croll: Consequently, it is necessary to amend the act so that the law will have some teeth and the penalties can be enforced. The circumstances which make this present amendment necessary cast no reflection upon honourable senators, who no doubt did an excellent job of reviewing the act when it was before them on the last occasion. I was here at that time, and I know something of the careful study which was made of that legislation. But, unfortunately, the interpretation which is now being placed on the present law requires the act to be amended. It is no reflection on us. The judge could be wrong, but for the present he is right.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Roebuck: I think this bill should go to committee.

Hon. Mr. Macdonald: Perhaps we should let third reading stand until tomorrow. I do not see that much can be gained by considering the bill in committee.

Hon. Mr. Quinn: Several questions have been asked about the effect of the proposed amendment, and I think the members of this house are entitled to a full explanation.

On motion of Hon. Mr. Smith (Queens-Shelburne), the bill was referred to the Standing Committee on Transport and Communications.

WINDSOR HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. David A. Croll moved the second reading of Bill R-1, an Act to incorporate the Windsor Harbour Commissioners.

He said: Honourable senators, I am particularly pleased to have the opportunity to move the second reading of this bill to incorporate the Windsor Harbour Commissioners. There are not too many occasions in this house when one has the privilege of saying a few words about his native city. I was pleased to hear another honourable senator

speak tonight of his native province. This is my opportunity to speak of my native city.

My association with Windsor is a long and memorable one. I came there as an infant immigrant in 1905. Twenty-five years later the people of that city elected me as their mayor, and they repeated the performance many times. They also elected me to the Ontario Legislature, and repeated the performance. I left Windsor in 1939, when I joined the army, and I did not return there after the war. I now live in Toronto, and spend the required time in Ottawa, but my "heart belongs to Windsor". For me, the citizens of Windsor are a people apart. I shall always feel grateful to them for the doors of opportunity which they opened for me.

This bill seeks to establish the Windsor Harbour Commission in the same way as Parliament has on other occasions established harbour commissions in Toronto, Hamilton, Belleville, Trenton, Winnipeg, New Westminster and other parts of the country. By this step Windsor is planning for the future.

Situated at the junction of the lower and upper Great Lakes, the most heavily travelled waterway in the world, Windsor is in a position to benefit from the good that will flow from the St. Lawrence waterway. Business at present in existence and contemplated cannot be handled with existing facilities.

The port facilities which Windsor needs will serve the surrounding region and the Detroit River area. Windsor now has available land at the waterfront which, if wisely utilized, can bring great profit, because there is a lack of waterfront facilities of Detroit, Cleveland and Toledo.

Aside entirely from these considerations, the great potential of the Detroit River area warrants the taking by the city of Windsor of the necessary steps in order to develop up-to-date facilities for a real port. This is an opportunity to fill the vacuum that now exists in the Windsor area.

The immediate need and purpose of the bill is to preserve all existing deep-water frontages available for maritime purposes; to zone, rehabilitate, acquire, plan to handle, and benefit from foreign business; to ensure the orderly development of waterfront property and to assure the availability of suitable property for harbour development in the future. Even now, as I have indicated, there is a lack of facilities. The port of Windsor has a great economic potential. To do nothing now would be to lose a very great opportunity.

With the opening of the St. Lawrence waterway there will be in our country a revolution in transportation and trade patterns that will be felt not only in Montreal,

Toronto and Fort William, but Windsor—and Windsor wants to benefit from it.

The port at Windsor will serve an area having a radius of about 25 miles and a present population of 250,000.

I have the 1956 figures for the movement of ships in and out of the port of Windsor, and I believe they will be of interest: there were 720 ships which picked up or discharged cargo, an increase of 105 over the previous year. Of those, 530 were Canadian ships.

This project was originally sponsored by the very active Junior Chamber of Commerce and later adopted by the City Council. A committee was established, and some waterfront land has already been acquired. A study made by competent people indicated that benefits would flow from the development, and in their report, they enumerated them as follows:

1. Lower consumer costs reflected from lower freight costs on import and export products.

2. A direct benefit to the community from a new major industry.

3. Direct and indirect benefit from attracting new secondary industries.

Windsor has one of the finest waterfronts anywhere and wants to benefit from it, and so asks support for this bill.

I cannot pass up the opportunity to associate with this project the name of a man who is known to many in this house, the late Oscar Fleming. He was the originator of the concept of the St. Lawrence waterway and was the first president of the association made up of municipal representatives, Board of Trade and other forward-looking citizens to further its development. He did not live to see its fruition, but I am pleased to recall and to record his devoted and public spirited efforts made in another day and in another generation.

So, honourable senators, I ask your support for this bill. Undoubtedly you will want it to be sent to the appropriate committee.

Hon. Mr. Farris: I would like to ask my honourable friend a question. Why are some harbours, like that of Vancouver, under the control of the National Harbours Board while other cities have harbour commissions of their own?

Hon. Mr. Croll: The honourable senator is perhaps better able to answer that question than I am. I suppose the National Harbours Board is primarily concerned with harbour facilities for international traffic.

Hon. Mr. Farris: New Westminster has its own harbour commission.

Hon. Mr. Croll: New Westminster is not in the class of Vancouver.

Hon. Mr. Reid: Honourable senators, New Westminster is the only city in Canada that spent its own money—\$500,000—to build its own wharves. That in part explains the reason why the harbour in that city was not placed under control of the National Harbours Board. I demanded that the Minister of Trade and Commerce pay back that \$500,000 to the City of New Westminster and take the harbour into the National Harbours Board set-up; but that amount was not paid, and the New Westminster harbour was left out of that organization. It is pretty well pleased with the arrangement.

Hon. Mr. Euler: Honourable senators, since we are in more or less of an atmosphere of personal reminiscences in connection with this bill I have to take issue with one statement made by my friend from Toronto-Spadina (Hon. Mr. Croll), that the agitation for the development of the great waterway on the St. Lawrence originated in Windsor. My recollection is that the man who initiated the subject was D. B. Detweiler, of Kitchener, Ontario, the father of hydro-electric power development in Ontario, later taken up by Sir Adam Beck. I can well recall that the first meeting in connection with the advancement of the great project on the St. Lawrence River was held in Kitchener, and that I, as mayor of the city, presided.

Hon. Mr. Croll: I bow to the superior knowledge and information of my honourable friend from Waterloo. Although I recollect the name of Detweiler, in my earlier days I associated the development with Oscar Fleming of Windsor. I stand corrected.

Hon. Mr. Connolly (Halifax North): Honourable senators, it is obvious that, under this bill, the Windsor Harbour Commissioners will be completely outside the jurisdiction of the National Harbours Board. That means that the commission is in a position to compete with any and all of the harbours in Canada which are under the control of the board, while those harbours, by virtue of the national tie-up, are precluded from entering into competition with any other harbour. Is that not so?

Hon. Mr. Croll: Certainly. The purpose of the bill is stated on the first page, and it was introduced after consultation with the Minister of Transport and the Government, by whom all these matters were taken into consideration.

Hon. Mr. Reid: Section 5 states that the corporation shall consist of three commissioners, "one of whom shall be appointed

by the Council of the City of Windsor". By section 6 it is provided that "no member of the Council of the City of Windsor is eligible to be a commissioner". There seems to be a direct contradiction here.

Hon. Mr. Croll: Oh, no. For instance, if I were living in Windsor and the council were looking for a fine young man to appoint as commissioner, perhaps they would appoint me, but not if I were a member of the council. No member of the Windsor City Council is eligible for appointment, and that provision, I think, is quite proper.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Croll, the bill was referred to the Standing Committee on Transport and Communications.

PRIVATE BILL

NORTH WATERLOO FARMERS MUTUAL INSURANCE COMPANY—SECOND READING

Hon. W. D. Euler moved the second reading of Bill W-7, an Act to incorporate The North Waterloo Farmers Mutual Insurance Company.

He said: Honourable senators, this bill is brought on behalf of The North Waterloo Farmers Mutual Insurance Company, whose head office is in the city of Waterloo, and is, I am informed, the oldest—and it certainly is the largest—insurance company of its kind in Ontario, and probably in the dominion of Canada. It has been established a long time, is of very fine repute, and is financially and in every other way responsible. I am personally acquainted with the president of the company, a man of the good old Mennonite Pennsylvania Dutch extraction, named Shantz, and—since we have had some personal reminiscences here tonight, I may express the hope that neither he as president nor the company itself is prejudiced by the fact that he was at one time a pupil of mine.

The company has been operating for many years under provincial charter. It now desires federal incorporation in order to extend its field to operations other than fire insurance, and to gain certain powers which under the provincial charter are not available. Perhaps the chief reason for asking for the new powers, which are listed in section 4, is that most of the companies writing fire insurance, and also engaging in accident, aircraft, automobile and other kinds of insurance, are now issuing, and have done so for two or three years, what is known as a composite policy—a type probably well known to members of this house—under

which they can issue one single policy to cover a number of risks, and with the added advantage to the insured of reducing his premium as much as 10 per cent. Since this company has been limited to the issue of fire policies it cannot issue composite policies, and it is therefore greatly handicapped in competition with those who are able to make such contracts. That, as I have already indicated, is one of the reasons why it seeks the power to make contracts of insurance in all the branches which are mentioned on page 2 of the bill.

There is also provision in the bill for the elimination from the title of the word "fire", so that the company shall be called "The North Waterloo Farmers Mutual Insurance Company". The reason is that if the word "fire" alone is mentioned, the inference may be that is the only class of insurance in which it can deal.

Mr. MacGregor, the Superintendent of Insurance, has discussed the bill with officials of the company, and informs me that, far from having any objection, he is quite in favour of it.

If the bill should receive second reading I shall move that it be referred to the Standing Committee on Banking and Commerce, before whom officials of the company will attend to answer any questions it may be desired to ask them.

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

REFERRED TO COMMITTEE

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 205 to 223, which were presented on Thursday, February 28.

Hon. Mr. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

EASTERN ROCKY MOUNTAIN FOREST CONSERVATION BILL

SECOND READING

Hon. James A. MacKinnon moved the second reading of Bill X-7, an Act to amend the Eastern Rocky Mountain Forest Conservation Act.

He said: Honourable senators, the Eastern Rocky Mountain Forest Conservation Act, which was passed in 1947, confirmed an agreement with the Province of Alberta whereby

federal assistance would be extended to capital and maintenance works on the eastern slopes of the Rocky Mountains in Alberta.

The act established the Eastern Rockies Forest Conservation Board to administer the eastern slopes area defined in the agreement. The chairman and one member were appointed by the federal Government, and one member was appointed by the provincial Government.

The purpose and function of the board is to construct all projects and facilities required to protect the forests of the eastern slopes area from fire, insects and disease, and to conserve, develop, maintain and manage the forests with a view to obtaining the greatest possible flow of water in the Saskatchewan River and its tributaries.

The federal interest in this work rested in the immense importance to all the Prairie provinces and to Canada generally of the waters flowing from the eastern slopes area located in the province of Alberta.

The act and agreement provided for the federal Government paying \$6,300,000 toward capital expenditures required. This was paid out over a period of about seven years—from 1948 to 1955—as work progressed. The act and agreement also provided for federal contributions toward maintenance costs, with provision for reduction of this contribution as revenues from the operations of the board rose above certain levels. The board has continued its work since 1947 to the satisfaction of both governments concerned.

In 1952 an amendment to the act was passed, approving the revision in the original agreement. The revised agreement provided for increased annual expenditures by the board on maintenance programs, and, as the revenues had risen substantially, also provided for discontinuance of federal contributions towards maintenance.

As Alberta was thereby agreeing to cover all maintenance costs, and as the federal capital contributions were almost completed, the act further provided that in future the province would appoint two members and choose the chairman, and the federal Government would appoint one member. In practice, Major General Howard Kennedy, who has been chairman of the board since its inception, continued as federal member after the passage of this amendment and, with the approval of the province, he also continued as chairman.

The amendments now proposed are of a simple nature. The first change is to authorize the official audit of the board's expenditures to be made by the Provincial Auditor rather than by the Auditor General of Canada. As all maintenance costs are borne

by the provincial Government of Alberta, and as Canada's capital contributions have been completed, this is a logical change.

The original agreement and the amendment of 1952 both set certain limitations on the maintenance program with the intention of ensuring that a program of reasonable size was carried out. By the 1952 amendment the province was limited in its maintenance expenditures to \$450,000 per annum. Mainly because of statutory salary increases, the province's maintenance budget for 1957-58 will, of necessity, exceed \$450,000. This is the reason for the urgent necessity of legislation this year. It is now considered that the board's work has reached the stage where no specific limitations should be imposed, particularly in view of the fact that the province is entirely responsible for maintenance costs. The second change in the amendment now being proposed would remove these limitations.

A third change deals with fire-fighting costs. The original agreement provided that if the board's forest fire-fighting costs exceeded \$10,000 in any one year, the excess would be borne on an equal share basis by the two governments. Both the federal Government and Alberta agree that this provision should be eliminated in view of the recent offer under the Canada Forestry Act of federal assistance to all provinces in forest fire protection. The proposed amendment would delete this provision which is out of line with, and, to some extent, duplicates the new federal offer.

The last change proposed is in section 20(b) of the original agreement. This subsection provided that all property of the board apart from improvements, works and land would belong to the federal Government on the expiration of the agreement. As the agreement does not expire until at least 1973, and the federal capital contributions ended in 1955, all items covered by the subsection and towards which federal contributions had been made would almost certainly have depreciated to the point where they were almost valueless.

As the board's work will be a continuing provincial responsibility, it seems reasonable to amend the subsection to provide that the items in question should belong to the province on the expiration of the agreement.

Honourable senators, I have outlined the simple amendments contained in this bill, and in preparing this explanation I endeavoured to anticipate any questions which might be asked on this matter. I do not see any necessity for referring this bill to committee.

Hon. F. W. Gershaw: Honourable senators, I hope that these proposed changes will not in any way limit certain activities which have taken place in recent years on the east slope of the Rockies. It is more important than ever that the water flowing from these slopes be preserved. There are a million acres under irrigation now out there, and another two million acres might be under the ditch and be suitable for irrigation.

A few years ago before this commission started its work the forests in that region were partially destroyed by fire and insects, and the cutting of timber did not help matters. All this had its effect on the surface soil, which was no longer able to hold the water to any extent. In the springtime the flood waters came down heavily from the eastern slope of the Rockies, but during the remainder of the year the flow was limited. With a new forest growth this bed of soil is being built up again and is better able to hold the water. This has resulted in a more constant flow of water supply for the large reservoirs which control irrigation.

I hope the amendments proposed in this bill will not in any way limit the watchfulness or the good work which has taken place to check the water flow for the irrigation system which is so badly needed in that country.

Hon. R. B. Horner: Honourable senators, I agree that it should not be necessary to send this bill to committee. However, I should like to emphasize, as did the honourable senator from Medicine Hat (Hon. Mr. Gershaw), that the care which has been exercised recently should in no way be diminished. I know of no more important area in Canada than the eastern slopes of the Rockies, which requires conservation of timber for the purpose of conserving water. I believe there is no area in Canada where timber growth is so rapid. The Government of Alberta should be very careful to see that timber is not cut down to the extent that it has been in the past. Of course, the help given jointly in the past was for the purpose of building roads, to make difficult places accessible for fire-fighting equipment, and that sort of thing. The honourable senator from Edmonton (Hon. Mr. MacKinnon) has explained that these changes were bound to come about. For that reason, I do not think it is necessary to send the bill to a committee.

Hon. Mr. Burchill: May I ask the honourable senator from Edmonton how much timber is involved in the area?

Hon. Mr. MacKinnon: Honourable senators, I have a map of the Eastern Rocky Mountain Forest Conservation area before me. I familiarized myself with the number of square

miles in the area, but I do not have the figures of the amount of timber standing.

Hon. Mr. Hawkins: How many square miles are involved?

Hon. Mr. MacKinnon: I have not the exact number of square miles; but it covers a very large area, running from a limit southeast of Edmonton pretty well down to the south of the province.

Hon. Mr. Horner: And to a depth right back to Jasper; it is an immense area.

Hon. Mr. MacKinnon: Yes, it is an immense area.

Hon. Mr. Dupuis: I understand that the ownership of that large area of land is not being abandoned by the Province of Alberta?

Hon. Mr. MacKinnon: It belongs to the province of Alberta.

Hon. Mr. Dupuis: Is it under the administration of the Canadian Government?

Hon. Mr. MacKinnon: It is under the administration of a committee which at the present time consists of two members appointed by the Province of Alberta and one member appointed by the federal Government. The dominion member has been appointed chairman with the consent of the province. I was glad to hear the honourable senator from Medicine Hat (Hon. Mr. Gershaw) mention that this committee has done excellent work, for I know that he is familiar with the district.

Hon. Mr. Roebuck: The honourable senator who sponsored this bill (Hon. Mr. MacKinnon) attempted to answer two questions in advance. I fancy he did not take into account the lack of knowledge of people like myself who are not familiar with this locality. I should like to have a little further information. I understood the honourable senator to say that the dominion Government has invested some \$6 million?

Hon. Mr. MacKinnon: \$6,300,000.

Hon. Mr. Roebuck: Thank you. I suppose that amount is in plant of some kind. At all events, there may be continuing assets. Is there any revenue to be derived by the board from these assets?

Hon. Mr. MacKinnon: These are continuing assets; they consist largely of roads. As I mentioned, there are substantial and increasing revenues.

Perhaps I should explain that this proposed legislation was due, in the first place, to the anxiety of the people of Manitoba and Saskatchewan to see that nothing would be allowed to interfere with the eastern slope, the headwaters of the Saskatchewan River

system, consisting of the North and South Saskatchewan Rivers and tributaries. It is for that reason that the dominion Government enters into this project with the province of Alberta, which owns the land and has administered the territory.

Hon. Mr. Roebuck: Then there are continuing revenues to which the dominion Government has contributed by way of this \$6 million for grants?

Hon. Mr. MacKinnon: Well, there are no revenues directly from the dominion Government's contribution. The dominion contribution has made possible revenues to the commission which is carrying on this work under the committee that has been in charge of the work and has done a splendid job.

Hon. Mr. Leonard: Are the expenditures more than the revenues?

Hon. Mr. MacKinnon: At the time the organization was formed there was anxiety in the province of Alberta, which of course was not as wealthy as it is today, that the maintenance charges would become too great a burden on them, and the province asked that there be a ceiling on the maintenance charges. Now, the reason for this proposed legislation is that the maintenance charges are getting above the ceiling that was agreed upon at that time, and in order to enable the province to make the larger expenditures it is asking that the ceiling be removed.

Hon. Mr. Wall: May I ask the honourable senator a question? Am I to understand that the respective interests of the provinces of Manitoba and Saskatchewan in conservation of water and water control will continue to be protected by the continued interest of the federal Government through one member of this board in the future, who may or may not continue to be the chairman of the board?

Hon. Mr. MacKinnon: It will be the duty of the chairman of the board to see that the interests of the dominion Government are fully protected. Major General Howard Kennedy has been chairman of the board since its inception, and his services are highly acceptable to the Province of Alberta. Provision has been made to enable another federal official to act in the absence of Major General Kennedy.

Hon. Mr. Wall: And will that person be the next chairman?

Hon. Mr. MacKinnon: Not necessarily so.

Hon. Mr. Wall: The bill contains no guarantee that the national representative would continue to be chairman.

Hon. Mr. MacKinnon: There is no thought of that being necessary.

Hon. Mr. Roebuck: Honourable senators, I am wondering why several senators have remarked that it is unnecessary to send this bill to a committee. This seems to me to be a decidedly complicated bill, which involves a subject which has a history behind it and a future ahead of it. The measure has certain remarkable features. For instance, it involves the investment of a large sum of money from the federal treasury, and it contributes in some degree to continuing revenues. The bill also involves the withdrawal of the supervision of the Auditor General, and the transfer of his duties to the provincial authority. Further, the bill would apparently transfer in 1975 certain federal assets to the provinces. If the bill passes, those assets—and there will be some value attached to them—will eventually pass to the province.

I am not criticizing this proposed legislation. I am merely pointing out that the

bill contains some remarkable and far-reaching provisions, and certain proposals are somewhat obscure. It involves an agreement which none of us have seen. Therefore, I do not think the measure should be passed over lightly with as little understanding as I, at least, have of it. I would suggest that it be referred to committee.

Hon. Mr. MacKinnon: I have no objection to its being referred to committee.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. MacKinnon, the bill was referred to the Standing Committee on Natural Resources.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

(See p. 294)

ADDRESS

of

HIS EXCELLENCY GUY MOLLET

Prime Minister of France

to

MEMBERS OF THE SENATE AND OF THE HOUSE OF COMMONS
AND THE GENERAL PUBLIC

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on

Monday, March 4, 1957, at 11.30 a.m.

Mr. Mollet was welcomed by the Right Honourable Louis S. St. Laurent, Prime Minister of Canada, and thanked by the Honourable Arthur L. Beaubien, Acting Speaker of the Senate, and the Honourable L. René Beaudoin, Speaker of the House of Commons.

(Translation):

Right Hon. Louis S. St. Laurent (Prime Minister of Canada): Mr. President of the Council of the French Republic, in extending to you a most hearty welcome on behalf of this Parliament and of the people it represents, I do so with great personal pleasure.

In greeting you in this house we are fully conscious of the fact that we are receiving the representative of a great and friendly nation, whose friendship we consider an honour. We are happy to pay tribute through you to the French people who played a leading part in our history and to which our destiny has been and remains closely connected.

Your visit in Canada at this time, when the countries of the great Atlantic family more than ever feel the necessity of achieving closer co-ordination in the efficient defence of those principles which originally drew them together, takes on a character whose symbolism is particularly encouraging. We see in your presence among us, Mr. Prime Minister, striking evidence that your country remains anxious, as always, to protect human values which have been the basis of its dignity and fame, but, as in the past, intends to act in partnership with countries it honours with its friendship. Your visit in Washington and here is of special importance and interest.

(Text):

We are all keenly aware, sir, of the great contributions that your country has made

and is now making to the progress of mankind. We are all aware also that in keeping with its great tradition of pioneering in every field, your country, with typical and ever-inspiring generosity, is seeking original and humane solutions to the most pressing and difficult problems facing our generation.

Whether the question is one of defining a satisfactory relationship with the less developed countries, or that of determining to what extent fully developed and mature nations can pool their resources and exercise their sovereignty to achieve objectives which are no longer attainable in isolation—to mention only two of the more complex issues of our time—your country has come forward with most promising and inspiring proposals.

In all these fields, Mr. Prime Minister, you have not only been closely associated with the search for solutions but you have been one of the leaders in seeking to meet successfully some of the greatest challenges of our time. As a true son of France, you have sought your inspiration in the spirit of freedom which is the glory of your country.

You demonstrated during the war how steadfast, how unshakable, is your attachment to the democratic approach in the settlement of political problems. Wounded and taken prisoner in 1940, repatriated as an invalid in 1942, you joined immediately the resistance movement and took an active part in the fighting which followed the Allied landings in Normandy in 1944. Since 1944 your life

has been dedicated to the same cause and your name has become associated with the momentous decisions which have led to the establishment of new relationships between your country and important North African peoples. You are one of the promoters of the renewed and determined attempt which is now being made to reorganize Europe, that great, that unique reservoir of experience which free men throughout the world have come to consider as part of their heritage and which has played such a vital role in the expansion of civilization.

The success of your several endeavours is a matter of direct interest to us. We hope that this great effort in political reconstruction will result in a further strengthening of our Atlantic community and of the free world generally.

Your visit, Mr. Prime Minister, gives us a welcome opportunity to pay tribute to the dynamic role which you, personally, and your country are playing in the affairs of the world. The conversations which we have had during the last few days have also made it possible for us to gain a better understanding of our mutual objectives and policies. In this fashion, your visit will affirm once again the close bonds which unite our countries and provide an illustration of the relationship which common endeavours within the Atlantic family can promote between Europe and North America for the lasting benefit of the whole free world.

Your Excellencies, Members of Parliament, and distinguished guests, it is my privilege now to invite Monsieur Guy Mollet, the Prime Minister of France, to address you.

(Translation):

Ladies and gentlemen, I have the honour to introduce to you the President of the Council of the French Republic.

(Translation continued):

Mr. Guy Mollet (Prime Minister of France): Mr. Prime Minister, the words which you have addressed, with so much sincerity and sympathy, to my country have touched me profoundly and they will go right to the heart of the French people. You have expressed in these words, on such an elevated plane of thought, the significance of my visit here and the nature of the relations, so intimate and direct, which have never ceased to exist between France and Canada since the beginning of your country's history. For all this I should like to offer my warmest thanks, and also for the remarks, so full of friendship, which you have directed to me personally. No token of esteem could be more precious to me.

Mr. Speaker, members of the Houses of Parliament, it is a very great honour for me to be able to transmit today to the honourable members of the Parliament of Canada the message of warm friendship which my country has asked me to deliver. I should like to do it at this time with all my heart and all my conviction. During these much too brief days which I have spent in your country, I have felt, profoundly, the rare quality of Franco-Canadian friendship, the strength of the bonds between us tightened by the battles we have fought side by side during two world wars. In the invitation which you addressed to me I saw a new manifestation of this friendship and I was proud to accept.

In recalling some of the great tasks undertaken by France, Mr. St. Laurent himself prompted me to tell you, in a few words, something of the achievements of French policy, something of our worries and concerns which, I know, are often much the same as your own.

To achieve the unification of Europe is one of our main objectives. I have striven to establish it upon a solid Franco-German entente, and I have felt a similar determination in Chancellor Adenauer and in the German Government. We were thus able to reach an equitable solution of the problems which had long made relations so difficult between our two countries. Today Franco-German rivalry no longer exists; there is instead a confident co-operation which permits the establishment of ever closer ties.

With the way thus open to a needed European Union, we have been able to make decisive progress in the economic integration of the continent, in bringing to successful conclusion the treaties which will establish the European Atomic Community—Euratom—and the Common European Market. Their signing will take place within a few weeks.

By Euratom, the six countries of the European continent will pool their atomic destinies. Their atomic industry, the expansion of which is already very promising, will be founded immediately on a European basis and may look forward to launching programs on a scale to which none of them, by itself, could have aspired. As for the Common European Market, it is designed to abolish customs barriers, harmonize social legislation and co-ordinate economic policies in a way that will constitute a vast market of 160 million consumers where the wealth, the merchandise and the people will circulate freely.

You can well imagine that the drawing up of these treaties, which will bind the future

of our countries for generations, has been particularly delicate. I am not unaware that your country has expressed certain reservations about some of the clauses of the Treaty of the Common Market. This would not be the place to discuss the details. But the point I should like to stress in particular is that, within a few months, a living and ever developing and expanding reality will have been created, the European Economic Community, the presence of which will profoundly modify present basic conditions. The prospects of commercial exchanges with a united Europe, in full development, will be radically different from those with our isolated countries and, no doubt, will be greatly expanded. So I beg you to have confidence in the dynamism of the new organizations, so that in their very working and operation the imperfections you criticize may be corrected.

Europe is the only way for the countries of that continent to recover true independence. It is the only way to guarantee a solid and enduring Atlantic Alliance. The relations between the European and North American continents can then develop on the basis of true equality. There is nothing durable in the world if it is not founded on equality and on free co-operation.

Beyond the Iron Curtain, the union of the European peoples will also be a symbol of hope for all men living under oppression who have not lost their will to liberty.

Two weeks ago six European prime ministers met in Paris, on the invitation of France, to take a major decision, that of associating with Europe the African territories today linked with Belgium and France.

As soon as it was formed, the European Community decided to play the card of Africa. The industrial power of the whole of Europe will be mobilized to assure the technical equipment and social progress of Africa. I shall not conceal the fact that this historic step is largely due to the tenacious insistence of France.

The decision which I have just recalled is in line with the new policy that my Government is applying in Africa—a policy which is, I fear, too little known outside my own country. Will you permit me to outline it briefly?

We are making almost revolutionary transformations in our overseas territories. The peoples are receiving the right to manage their own affairs democratically within the framework of union with France, to which they have freely consented. On March 31 next, this very month, single college elections will permit the populations of all French Africa to choose their own representatives—in full liberty—in the territorial assemblies, which will appoint, in turn, the ministers in charge of administering the territories.

Similar reforms recently led to the creation of the autonomous Republic of Togo, and long discussions in the United Nations on this question have revealed their work and their democratic nature.

France has refused to make a “closed preserve” of the African territories. That is why she has opened their doors to Europe, which will give them their greatest chance. Over the next five years, the European effort in aid of Africa will exceed five hundred million dollars, in addition to a French effort which will, no doubt, exceed two billion dollars.

These figures speak for themselves. They show our resolve to apply in Africa the only possible remedy to those accomplices, blind nationalism and communism: to build a Eurafrikan group, a vast union of free peoples, efficiently helping one another, to their mutual benefit and their common prosperity.

[Text]:

I reminded you a little earlier that a European union would guarantee the consolidation of the Atlantic alliance. This consideration weighed heavily in our decision to construct Europe. The Atlantic alliance is one of the cornerstones of French policy, as it is of the policy of Canada. I should like here to pay homage to the eminent role that the Secretary of State for External Affairs of Canada, Mr. Lester B. Pearson, has not ceased to play in all the work of the Atlantic organization.

Besides its important contribution to the defence of the North American continent, your country—and it is not one of the lesser reasons for our gratitude—has accepted to take an active part in the defence of the European continent. To help balance the enormous mass of Soviet divisions, Canada, like the United States and Great Britain, has stationed a part of her armed forces on the European peninsula. The presence of your soldiers on our soil imposes a sacrifice upon you for which I wish to thank you in the name of France. It is of exceptional importance to us.

In fact, in 1914, as in 1939, if there had been some thousands of British, American and Canadian soldiers in Europe, neither William II nor Hitler would have gone to war. They would have known that, from the very first moment, an immense coalition would be raised against them. Today, because of the physical presence of your soldiers and the British and American soldiers, the Soviet Union cannot have the slightest doubt about the consequences to herself of any aggression. The presence of these soldiers is a type of “deterrent” policy of the Atlantic Pact.

The Atlantic alliance seems to me even more important today than it was eight

years ago at the moment of its creation. Also, it imposes, perhaps more than ever, a perfect entente among the allied nations on the strategic and tactical planes. It is necessary that these decisions be taken in common when it comes to effectives and armaments, and if technical developments raise new problems, in this domain, they must be resolved in common. I insist upon solemnly recalling these requirements before you.

I shall say a few words to you now on a purely French problem but which is such a grave one for us that I want to tell you about it personally. It has to do with Algeria. Your Government in the course of the debate in the United Nations has accorded us the loyal and unfailing support which we have asked of it, and I shall like to express to it here the thanks of France.

The Algerian problem, unhappily, is too little known outside of France. In completely good faith, many of our friends think that our policy is nothing more than a manifestation of obsolete colonialism. I shall speak to you quite frankly and quite directly. In my eyes, what is most essential in the Algerian affair is not to maintain the links between Algeria and France. That is far too much in the interests of Algeria to be seriously questioned. The aid which France has given to Algeria since the Second World War, to cite only one figure, represents twice the sum of all the moneys France herself received under the Marshall Plan.

The fundamental element in the Algerian problem is the presence in the country of two groups, each distinct from the other, both important and each indispensable to the life of the other—1,200,000 Algerians of European origin on one side and eight million Moslems on the other.

The Algerians of European origin began to settle there in 1830. They have their families in Algeria and they have their dead. Algeria is their country—their *patrie*—and, for the most part, it is their toil which has developed its resources. They feel like pioneers, and that that is what they are. It is not acceptable that they be oppressed or chased out today by the mass of the Moslems, any more than it is acceptable that they profit by temporary economic advantages to oppress the Moslems. The key to the Algerian problem is to obtain, at one and the same time, full equality of rights for all the inhabitants of Algeria—economic as well as political rights—and the co-existence of the group of European origin and of Moslem origin, without either being able to oppress the other. The first step toward any settlement is that violence cease. Also, France has proposed a “cease-fire”

without any political “strings”. To settle the general conditions, the French Government is ready to make direct and official contact with those who are fighting.

Within three months of a return to peace free, single college elections will be organized. Each will be able to vote according to his conscience. We invite the democratic nations to send their representatives to Algeria so they may observe the proper procedure of the vote.

It is with these elected representatives of Algeria, whatever their political opinions, that we would discuss the future organization of Algeria. It will result in the agreement of all the interested parties, that is to say, the populations of Algeria and the populations of France.

This is the contents of the French program for Algeria. You will agree with me that it conforms to the principles of democracy. The play is now to our adversaries. We offer them a cease-fire. Are they ready to renounce violence? We propose free elections, held under the eyes of representatives of the democratic countries, and immediate discussion with the elected representatives of the Algerian populations. Why have they refused up to now? France is not discouraged. She will multiply, tirelessly, the efforts to convince all the inhabitants of Algeria of her will to peace and justice.

You may be surprised that I have not taken advantage of this political survey to say a few words to you about another problem, namely, the situation in the Middle East. Whatever may have been our disagreements at one moment, I must underline the positive character and the extreme usefulness of the initiatives taken by the Canadian government, how its interventions, always animated by the most friendly spirit, have often been decisive.

An important step has been taken in the Middle East toward the restoration of an enduring peace, founded on justice and respect for international law, which is the common aim of our countries. France has not been a stranger to the agreements which have been made, and I have the right to say that she has considerably aided in their conclusion.

The retreat of Israel from Gaza and the straits of Sharm al-Shaikh does not constitute an end. The intervention of the United Nations Emergency Force makes it possible to avoid a return, pure and simple, to the original situation. It is indispensable that we profit by its presence to conclude a general peace settlement. A partial or provisional settlement in the Middle East will always be a bad solution. Our peoples will not permit us to allow the situation to deteriorate again

as it did in the past eight years when, under the cover of an armistice, the disorders were perpetuated and a state of masked warfare was finally established while, at the same time, the resolutions passed by the United Nations were constantly being violated.

We must attack the basic causes of the tensions in the Middle East. I should like to enumerate for you some of those which seem to me to be the principal ones. Some of them are "geographic" and others are purely "political".

The first of the "geographic" causes is the frontiers of Israel and, in fact, the existence of the state of Israel itself. The conclusion of a peace treaty between Israel and her Arab neighbours, fixing her frontiers and guaranteeing the integrity of her territory, is an absolute necessity. I am very happy that the representatives of the great countries expressed their determination in the general assembly of the United Nations that this treaty will be interposed as soon as possible. I am happy that the big nations have declared their insistence that free passage of ships in the international waters of the gulf of Aqaba shall be respected.

The Suez Canal is also one of the "geographic" causes of tension. Its sabotage by Egypt without any military motive to justify it, and the blackmail exercised since then over the pace of clearing and opening the canal, shows the little confidence merited by the Government of Egypt. As was stipulated before the Security Council, the Suez Canal must be "withdrawn from the political policies of every country" and, in particular, from that of Egypt. The economic equilibrium of Europe and the countries of Southeast Asia cannot depend solely on the good will of a commonplace Egyptian dictator.

Still more vital are the causes which I have called "political", and it is upon the attitude which will be taken about them that will depend the definite settlement of other problems. I am speaking of the Pan-Arab manoeuvres of Egypt and the Soviet infiltration of the Middle East.

The Pan-Arab dreams of Colonel Nasser are defined with brutal clarity in his book, "The Philosophy of Revolution". He himself has declared his determination to organize around a "hero"—that is the way in which he speaks of himself—a united Arab world "from the Atlantic to the Persian Gulf". In order to achieve it he plans to utilize, as a means of pressure on the West, the oil of the Middle East and the geographic position of his own country—that is to say, the Suez Canal. We now know that they were not idle threats.

To denounce Pan-Arabism does not signify an attack on the Arab world. Pan-Arabism

is not the expression of a people's national feeling. It is, as Pan-Germanism and Pan-Slavism have been in the past, a myth in whose name a people's independence is attacked.

It is the duty of the free nations to oppose a united front to the subversive actions of Pan-Arabism, to see that provocation does not pay, and that there can be no transactions whatsoever which do not respect international obligations. Such an attitude is even more necessary since Pan-Arabism is the best vehicle for communist infiltration. Faithful to Lenin's directives, the Soviet leaders are systematically supporting ultra-nationalism. Cairo and Damascus, the sources of Pan-Arabism, have thus become the strongest bridgeheads of the U.S.S.R.

From this point of view the declaration of President Eisenhower assumes great importance. The Soviet Union has been, in the past, attentive to such warnings. I shall add that any split in the united front of the free nations, in the Middle East, will be exploited by the Soviet Union. It is therefore our duty to put into effect in this part of the world a concerted, long-range policy.

That is what I have expressed to the Canadian Government, as well as to the President of the United States, and I believe—let me say I am sure—that my visits will have favoured the first steps.

(Translation):

The problems of which I have been speaking to you have been, as you may imagine, the object of thorough discussions with the Prime Minister of Canada. I was pleased to note the large area of agreement between us. I am certain that in these next weeks France and Canada will find themselves side by side in the international meetings, in common defence of the same causes and in seeking solutions in harmony with law and justice.

Mr. Speaker, Mr. Prime Minister, members of the Houses of Parliament, in a few hours my friend Mr. Pineau, our assistants and myself will be leaving your magnificent country. The memory of the hours we have spent in it, the memory of the simplicity and fraternal warmth of your welcome, will remain with us. I shall take testimony of it to the French people. I shall tell them that, in dark days and fair, they can rely on the friendship and the support of this great people in full expansion.

To you, also, I should like to say that you may rely on the French people and on the youth of France. By their labour they have overcome the destruction of the war, they have confidence in the future of their country, they are ready to face the challenging tasks

which lie before them—the construction of Europe, the development of the Sahara, the building of Eurafrika. Yes, at your side, in all just and generous undertakings, you will always find “la France éternelle”.

(Text):

Hon. Arthur L. Beaubien (Acting Speaker of the Senate): May I, monsieur le Président du Conseil de France, on behalf of the Senate of Canada, thank you for your visit and for the eloquent and inspiring address which you have just delivered. It is always a pleasure to welcome the leaders of great nations with whom we have had so many memorable associations. It is particularly so as we welcome you, sir, as the eminent representative of a people to whom so many Canadians trace back their racial origin. We are happy and gratified to have been able, in Canada, to demonstrate that peoples of different racial origins can live together in peace and harmony.

May we respectfully ask you to convey our greetings to the members of your Conseil de la République and of your National Assembly.

(Translation):

Mr. President of the French Council of Ministers, you are doing us a great honour and giving us great pleasure in visiting us today, and we sincerely hope that you may come back soon.

(Text):

In wishing you Godspeed, we pray Divine Providence to bless all your endeavours.

(Translation):

Hon. L. René Beaudoin (Speaker of the House of Commons): Mr. President of the Council, the Canadian House of Commons joins the Senate in greeting you as the representative of the glorious French nation and in extending its most cordial welcome on behalf of the people of Canada. We are also happy to greet at the same time Mr. Christian Pineau, your Minister of Foreign Affairs, and His Excellency Mr. Francis Lacoste, Ambassador of France to Canada.

Our century is overburdened with problems whose solution must logically be entrusted to exceptionally gifted leaders. Each international crisis is a test for the initiative and

courage of a few outstanding men who must be able to overcome all obstacles. We are pleased to note, Mr. President of the Council, that your name has already a place in the history of contemporary diplomacy, and Canadian parliamentarians—more especially those whose language is French and who look upon France as their mother country—are particularly proud of the important part you are playing on the international scene in order to ensure the triumph of justice, to guarantee universal peace and defend democratic principles.

Your visit will serve to strengthen the spirit of co-operation and solidarity which has long characterized the relations between Canada and civilizing France, the France which has always upheld the cause of the noblest liberties.

(Text):

In April 1951 this Parliament had the great honour of welcoming Mr. Vincent Auriol, the then President of the French Republic. On that occasion, Mr. Auriol brought the affectionate message of France to this very Hill, which he called “the meeting place of forces young and eager, English and French, the union of which has created this nation, thus constituting an immense human treasure for the future.”

And he added, “Sons of the British Isles, Sons of France, what a magnificent example you are giving to the world, what a long path you have travelled together!”

In welcoming you today, and after listening to your eloquent address, we could not but recall those complimentary remarks which, like your own words, filled us with emotion and pride.

Life has a habit of repeating itself and, for this reason, we hope that we have remained worthy of, and still possess, the virtues inherited from our British and our French ancestors.

(Translation):

Mr. President of the Council, your visit is indeed very gratifying to us. It affords us a further opportunity to proclaim the heartfelt friendship of all Canadians for France, and we continue to pay homage to the mission which ideals have clearly assigned to her.

THE SENATE

Wednesday, March 6, 1957

The Senate met at 3 p.m., the Hon. Thomas Vien, Acting Speaker, in the Chair.

Prayers.

Routine Proceedings.

CANADIAN FARM LOAN BILL

FIRST READING

A message was received from the House of Commons with Bill 159, an Act to amend the Canadian Farm Loan Act.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

CANADA SHIPPING BILL

REPORT OF COMMITTEE

Hon. W. D. Euler, Acting Chairman of the Standing Committee on Transport and Communications, presented the report of the committee on Bill G.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (G) intituled: "An Act to amend the Canada Shipping Act", have in obedience to the order of reference of March 5, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

Hon. Donald Smith: With leave, I move the third reading now.

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

WINDSOR HARBOUR COMMISSIONERS BILL

REPORT OF COMMITTEE

Hon. Mr. Euler presented the report of the Standing Committee on Transport and Communications on Bill R-1.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (R-1) intituled: "An Act to incorporate the Windsor Harbour Commissioners", have in obedience to the

order of reference of March 5, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

Hon. Mr. Euler: With the consent of the house, I move third reading now.

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

EASTERN ROCKY MOUNTAIN FOREST CONSERVATION BILL

REPORT OF COMMITTEE

Hon. Cyrille Vaillancourt, Chairman of the Standing Committee on Natural Resources, presented the report of the committee on Bill X-7.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Natural Resources, to whom was referred the Bill (X-7) intituled: "An Act to amend The Eastern Rocky Mountain Forest Conservation Act", have in obedience to the order of reference of March 5, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

Hon. James A. MacKinnon: With leave, I move the third reading now.

Hon. Mr. Lambert: May I ask the honourable Leader of the Government (Hon. Mr. Macdonald) if the rules of the house have been suspended so as to permit third reading of a bill on the same day as the committee's report on it is received?

Hon. Mr. Macdonald: There has been no suspension of any rule. I thought it was the custom, when a bill is reported without amendment, to pass it the same day, if the house agrees. I have no objection to having the third reading stand until tomorrow.

Hon. Mr. Lambert: I would just like to mention that the point has been raised this session that bills should be dealt with in the regular way with the specified interval between each of the various stages.

Hon. Mr. Macdonald: Of course, if any honourable senator objects to the motion that the bill be read the third time today, the objection will be recorded and the bill will not have third reading at this time.

Hon. Mr. Lambert: If the work of the house is so pressing, I have no objection to third reading today—if the honourable Leader of the Government desires to push the bill through.

Hon. Mr. Macdonald: My friend is mistaken: the leader has no desire whatever to give the bill third reading today. An honourable senator moved that it should have third reading, and I did not oppose it, but if there is an objection to immediate reading I would support the objection.

Hon. Mr. Reid: Is there a rule covering this point?

Hon. Mr. Macdonald: Yes, there is the rule that the two stages of adoption of a committee's report on a bill, and the third reading, cannot be taken on the same day. But I repeat that if a bill is reported from committee without amendment it has been customary, with unanimous consent, to waive this rule. However, if there is any objection the house should not agree to the bill being read the third time now. I would point out that I have not made any motion.

The Hon. the Acting Speaker: Honourable senators, I would point out that when a bill is reported back from committee without amendment it is common practice to move the third reading at the same sitting. However, the motion cannot be made except by unanimous consent. I assumed, as there was no objection, that unanimous consent had been given for the third reading of this bill now.

Honourable senators, is it your pleasure that this bill be now read a third time?

Some Hon. Senators: Yes.

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

DIVORCE BILLS

FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill O-8, an Act for the relief of Waltraud Feronika Thorwart Servay.

Bill P-8, an Act for the relief of Elizabeth Krawchuk Yovdofchuk Ripchinsky.

Bill Q-8, an Act for the relief of Gweneth Vernice Blackman Waterman.

Bill R-8, an Act for the relief of Pauline Margaret Patricia Sylvester McLean.

Bill S-8, an Act for the relief of Mary Boldovitch Mogil, otherwise known as Mary Boldovitch Mogilesky.

Bill T-8, an Act for the relief of Doris Irwin Phillips.

Bill U-8, an Act for the relief of Kathleen O'Malley Romandini.

Bill V-8, an Act for the relief of Lillian Yochalas Ostroff.

Bill W-8, an Act for the relief of Gladys Catherine McCluskey MacFarlane.

Bill X-8, an Act for the relief of Mary Kathleen Pineault Miller.

Bill Y-8, an Act for the relief of Terez Lazar Jankovicz.

Bill Z-8, an Act for the relief of Winona Beryl Buzan Maynard.

Bill A-9, an Act for the relief of Rose Marie Hops Zinman.

Bill B-9, an Act for the relief of Doris Velma Gardner Briggs.

Bill C-9, an Act for the relief of Pinck Kempinski.

Bill D-9, an Act for the relief of Margaret Lukis Lambert.

Bill E-9, an Act for the relief of June Angela Duyvewaardt Corse-Scott.

Bill F-9, an Act for the relief of Frank Maun James.

Bill G-9, an Act for the relief of Doris Louise Richardson Turner.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

NARCOTIC CONTROL BILL

SECOND READING

Hon. Thomas Reid moved the second reading of Bill D, an Act to provide for the control of narcotic drugs.

He said: Honourable senators, in rising to explain Bill D, an Act to provide for the control of narcotic drugs, I should like to make one or two general observations before dealing with the sections of the bill itself.

My first observation is that if we enact this legislation we may be making history. So far as my recollection is concerned this is the first time that a recommendation by the Senate has been accepted by the Government *in toto* and placed in proposed legislation. As one honourable senator said, it is rather unusual. I think this fact is worth while mentioning and putting on record, and now that a precedent has been started I trust that more of the Senate's recommendations will be carried out in future. I think the Minister of National Health and Welfare, the Honourable Paul Martin, and his able assistants deserve commendation for putting

into this proposed legislation all the recommendations made by our committee.

Before dealing with the provisions of the bill, may I take a minute or two to speak about matters in connection with the problem of drug addiction in Canada, particularly regarding statements which have appeared from time to time in the press in British Columbia and have been disquieting, indeed, to all concerned with the subject of narcotic control. I have in mind the fact that some people, although very few, every now and again advocate the giving of free drugs as a cure for narcotic drug addiction. Before putting on the record statements against those expressions, may I quote from the recent report of Commissioner L. H. Nicholson, of the Royal Canadian Mounted Police, entitled: *Jail not the answer for drug addicts' cure*. May I add that, while jail may not be the answer, free drugs are certainly not the answer. In his report Commissioner Nicholson says:

The Force feels that the root of the problem could be attacked with real hope of success by compulsorily quarantining all addicts, treating them and releasing them then under careful parole arrangements only when there is a real promise of cure and rehabilitation.

I wish to point out that, as far as cures and rehabilitations are concerned, it was clear from the evidence presented to the committee that this is largely a responsibility of each province. Only one province so far has taken any steps whatsoever toward the rehabilitation of drug addicts, namely, the province of Ontario. British Columbia, where drug addiction has been on the largest scale, has not yet taken any steps in an endeavour to cure the drug addicts. While that province has a splendid system of hospitalization, it has not however seen fit to recognize drug addiction as something which should be given hospital treatment.

Honourable senators, 26 very prominent witnesses appeared before our committee, of whom only four advocated the giving of free drugs. May I point out that the United Nations came out strongly against the introduction of any such system. Also, the United States subcommittee which made an inquiry into the narcotic drug problem had this to say:

The subcommittee is unalterably opposed to and rejects the "clinic plan" proposal for supplying narcotic addicts with free or low-cost narcotic drugs. We are opposed to all types of so-called ambulatory treatment.

I do not propose to read all that was said in this regard, but I may say that the whole report is strongly against the free distribution of drugs.

All our committee members were of the view that to distribute drugs free to drug

addicts would be comparable to giving an alcoholic all the free whisky he could drink and expecting this treatment to cure him. Looking at the problem in that light, it does seem ridiculous to suggest that an addict can be cured by being supplied with free drugs. If, for instance, an addict required eight shots a day, and the free distribution system allowed him only four, he would take the four free shots and spend the rest of his time hunting for the other four.

Certain statements emanating from Great Britain, indicating that that country has a system of free distribution of drugs, have brought about confusion in the minds of some people in British Columbia. But the evidence given before our committee did not reveal the existence of such a system in Britain. As a matter of fact, it is almost impossible to get a clear picture of what the British system is. The boast is made that out of a population of 45 million people Britain has only three or four hundred drug addicts; and it is said the drugs are handled by doctors. Hence, the idea has developed that doctors are handing out drugs free to addicts and that as a result there is no problem.

The Senate committee came out strongly against free drug distribution. In that stand it had the full support of the United Nations authorities and the United States subcommittee which investigated the problem last year, as well as of practically all the witnesses who testified before our committee. However the occasional comment appearing in the British Columbia press about the so-called British system has caused some to ask why Canada did not adopt that system. Now, I quite agree that imprisonment may not appear to be the means of solving the drug addiction problem.

May I remark just here that, according to information I received this morning from the R.C.M.P. inspector, there has been no increase in the drug problem during the past year since our committee made its inquiry. If that is so, then the work done in this field has not been in vain and may well have done some good.

Hon. Mr. Howden: Do you mean there has been no increase in the problem in Canada?

Hon. Mr. Reid: Yes. It has not increased in Canada during the past year.

Honourable senators, I do not intend to read all the various news items about this subject which I have before me. Some of the headings however are as follows:

U.K. Expert urges free drug issue for addicts.
Choke off Source, say drug probers.
Supplies at cost for drug addicts?

Under the heading "Death penalty urged for dope peddlers", one paragraph reads:

Surely the authorities should be convinced by now that some other approach should be tried. The illegal traffic in dope would die out in a month if narcotics were obtainable at government clinics at cost price.

It is that kind of statement that leads people to believe that the free distribution of drugs is the answer to the problem.

Then there is the question of whether we should imprison all offenders for life or on the other hand set up clinics and supply them with drugs. I go back to my former statement: jailing the offender may not be a cure. Nevertheless, in my opinion free drugs might very well only increase drug addiction and so increase the problem.

With that background, honourable senators, I come to the bill itself. In substantiation of what I said in my opening remarks, that the Government is prepared to accept *in toto* the recommendations of the Senate Committee on the traffic in narcotic drugs, I should like to point out some of the things which the committee advocated and which support the present bill.

The report of the Senate committee in dealing with matters connected with the Opium and Narcotic Drug Act, pointed out that vigorous enforcement, more severe penalties and a realistic recognition by judicial and other authorities of the extent and nature of the evil of trafficking would do much to reduce the incidence of drug addiction in Canada.

A great deal of evidence was given to the committee regarding the large profits made by people engaged in the drug traffic, and there were various suggestions as to how this profit could be eliminated. It was the considered opinion of the committee, however, that the most effective way of taking the profit out of the traffic was by making all trafficking a most hazardous and costly undertaking, in terms of penalties, to the trafficker. The committee recommended that penalties for trafficking—regardless of the trafficker's purpose or motive, or of the amount involved, and irrespective of whether the trafficker was or was not an addict—should be more severe, with a compulsory lengthy minimum sentence, and an increased minimum sentence for a second or subsequent offence, and possibly a maximum of life imprisonment.

The committee also dealt with the question of drug importation, which constitutes the source of the illicit supplies in Canada. The committee pointed out that the trafficker-importer seldom has physical possession of the drugs for which he is responsible, and that he himself is rarely addicted to their

use. It was the committee's recommendation that a special offence be created for importation of drugs into Canada, with a penalty of the utmost severity. It was felt by the committee that persons who engaged in importation for the benefit of the trafficker-importer would thus be deterred from assuming the heavy risks which increased penalties would involve. The committee finally recommended that since trafficking had become a mobile industry, courts should withdraw motor vehicle driving privileges for long periods of time from those convicted of an offence of trafficking.

A further recommendation of the committee dealt with the proof of conspiracy to commit an offence under the act.

These constituted the major recommendations of the committee in so far as they pertain to the Opium and Narcotic Drug Act.

In looking at the bill, it will be seen that all these recommendations have been implemented. I will refer to them in the order in which they appear in the report.

Section 4 makes express provision for a lengthy minimum and maximum term of imprisonment for a second and a third offence of trafficking. A second offence will carry a minimum sentence of not less than ten years, with a maximum of twenty years; and for a third and subsequent offence the minimum sentence will be not less than twenty years, with a maximum of life imprisonment.

In this connection, section 4(3) becomes of great importance. It provides that a conviction for trafficking under the present Opium and Narcotic Drug Act will constitute a conviction for trafficking under the proposed new act. Thus if any trafficker who has already been convicted of trafficking in Canada is convicted under the new legislation, he will be dealt with as a person guilty of a second offence and subjected to the very heavy penalty provided for it. I understand that no traffickers have already been convicted twice under the present act, so the maximum penalty of life imprisonment will not have any application for the time being.

It will be noted that while minimum penalties are provided for a second and third offence, there is no minimum for a first offence. It was thought appropriate to give to the court complete discretion in the matter of an appropriate penalty for a first offence, but at the same time to fix a maximum high enough to enable the court to deal severely with a first offender, if the circumstances so required.

May I here interject the hope that judges and magistrates who are called upon to deal with cases under this act will realize that they are dealing with an extremely serious

problem and that it is their bounden duty to see that the full measure of the law is enforced in handing out sentences.

The Senate committee made no recommendation with respect to illegal possession of drugs. The provisions of the bill, therefore, do not change the law in that regard.

Section 5 establishes a special offence of importing narcotics into Canada. It provides a penalty for a first offence of not less than ten years' imprisonment with a maximum of twenty years' imprisonment, with a maximum up to life imprisonment. These penalties compare with those provided for a second and subsequent offence for trafficking. This offence, with the penalties it carries, implements the recommendation made by the Senate committee for some effective deterrent to the illicit importation of drugs into Canada.

The next provision of the bill which is of interest in terms of the committee's recommendations is section 11, which authorizes the court to prohibit a convicted trafficker from driving a motor vehicle for any period that the court considers proper. This is intended to curtail the mobility of the trafficker as far as possible, by forcing him either to adopt some other means of reaching his customers or to employ a confederate to operate a vehicle for him. If the latter course is followed, the confederate will be equally guilty of the offence if caught and convicted. Thus a very heavy deterrent is provided for a confederate who takes the risk of driving a car for the convenience of a drug trafficker. This penalty is new, and it will of course be some time before its value can be assessed. Obviously, any period of prohibition of driving a motor vehicle would need to be over and above the period of imprisonment, during which time the trafficker would automatically be denied driving privileges. It will be some years, perhaps, before the value of this section will be apparent.

These are the provisions of the bill implementing the Senate committee's report. They would seem, in all respect, to carry out fully the committee's intent in making its recommendations.

With increased penalties of the kind provided in this bill, and with the quality of the enforcement that has been maintained in Canada by the Royal Canadian Mounted Police and other enforcement agencies, it is to be hoped that the courts will take cognizance of the purpose for which these amendments are made, and thus fulfil the hopes of the committee as expressed in the first paragraph of its recommendations dealing with penalties for drug trafficking.

The bill introduces a somewhat new procedure, in that it transfers to the regulation-making section the authority to provide for

the legal manufacture, distribution and use of narcotic drugs. The regulations, therefore, will set forth a complete code to cover all legal dealings in and uses of drugs. The regulation-making section, which is No. 16, sets out full authority to provide, by regulation, for everything that need be done to ensure that narcotic drugs will be available for medical and scientific purposes.

The remainder of the bill substantially provides for various matters which are contained in the present Opium and Narcotic Drug Act, and it does not require any detailed explanation.

Honourable senators, that is a brief explanation of the purposes of the bill. You will notice that the act has been given a new title, "An Act to provide for the control of narcotic drugs."

If the bill is given second reading I will move that it be sent to the Standing Committee on Banking and Commerce, where more information will be available, and where the various clauses of the bill can be looked into in detail.

Hon. Salter A. Hayden: Honourable senators, I rise to speak on this occasion for two reasons: one, that I am heartily in support of the bill before us; and second, that having been a member of the committee which inquired into its subject-matter, I wish to voice in the presence of honourable senators my great appreciation of the great driving power and energetic and very laborious work of the chairman (Hon. Mr. Reid), in the conduct of the hearings and also in the preparation of the report.

Hon. Senators: Hear, hear.

Hon. Mr. Hayden: Now that the report has been written into history—for it was presented in 1955—I think I can say that I was probably the most stubborn member of the whole committee in the matter of the penalties which I thought should be applicable. I felt they should be the most severe that could possibly be pronounced, but the other members of the committee would not go that far. For that reason I want to explain very briefly my view of the problem of control of narcotic drugs and how I think it should be approached.

The three offences are, of course, possession of drugs, trafficking in drugs, and importation of drugs. Now, as to trafficking in drugs and importation of drugs for that purpose by persons who are not themselves drug addicts, I would provide, if I could write the law, for a penalty of life imprisonment, but as a compromise I might agree to a sentence ranging from ten years to life imprisonment. It strikes me as completely unrealistic to show any consideration at all for people who

for profit are trafficking in drugs and delivering them to poor human wrecks who have acquired the drug habit. As far as the traffickers are concerned I would not provide, as this bill does, for three different offences, with life imprisonment not impossible until the third conviction.

Then, in dealing with the question of possession, it seems to me that there are two categories of offence: one, possession by a drug addict; and the other, possession by a person who is not a drug addict. In the case of possession of a drug by a person who is not an addict and who has no explanation which would justify his possession of the drug, I would assume he had possession for the purpose of trafficking, and I would visit the extreme penalty of the law upon him.

As to those persons who are drug addicts, in the committee's discussions before the report was drafted I urged that drug addiction should be made an offence, but I did not succeed in convincing the committee. It seems to me that making drug addiction itself an offence, so that you can get at the addict and take him out of circulation for an indefinite period, would be an excellent way to develop real control of addiction. For a drug addict who is found in possession of drugs I would provide a sentence of imprisonment for an indefinite period. Then he would be tucked away for a while, and part of the market for drugs and certainly one element of drug addiction would disappear. All that would then be left for the time being would be the recruitment of new drug addicts, and the way to prevent that would be to make the penalty so severe that the traffic would lose its attractiveness. That course may seem very harsh and tough, but, after all, most people who become drug addicts are ruined; their lives are destroyed; their condition affects their immediate family and others and imposes a responsibility on society. So, I think, society in its own best interests should take the most drastic steps not only to control but to try to eliminate drug addiction; and, as I have said, drastic penalties are necessary to achieve that end.

I do not suppose the bill will be amended at this time in accordance with my views, but I am expressing them now because I believe that ultimately, if the habit and the traffic are to be really controlled, we shall have to come to the stage of administration which I have outlined.

Hon. R. B. Horner: Honourable senators, one difficulty I see about the suggestion for dealing with a non-addict trafficker is that it would be possible for him to sham addiction. He could even go to the extent of carrying

what the addict requires for his own inoculation, although it may be that the fraud could be detected by medical tests. But I am reminded of what bootleggers used to do in the dry days: They would pretend to drink their own whisky when it was of very doubtful quality.

My impression of what we learned about methods in vogue in England is that the British system of tracing the sales of drugs and their distribution is a good one; that a doctor who was found to be using too large a quantity will find himself in trouble. A medical man from the Old Country, who had practised for a number of years before coming to Vancouver, told the committee that in Britain medical men were permitted to administer narcotics to those who needed them, but that addiction was not a problem because, as I recall, strict control was maintained over the sources of supply. Our situation may be more difficult, but one would suppose that the reverse would be true, because Britain is one of the centres of world traffic. But whether or not we believe there are no more than 300 addicts in the United Kingdom, it is evident that that number is greatly exceeded in some Canadian cities. Climate may have something to do with it.

It would be instructive to be able to follow up the histories of some of the very interesting addicts who appeared before our committee. For instance, I wonder what became of the man in his sixties who told us, at Vancouver, that he had been an addict for 49 years. He explained how he was able to indulge in the habit and carry on with his work. In reply to one of the members of the committee he said that at one time, finding that he craved larger doses, he applied at one and the same time for supplies to no less than nine doctors. He was a plausible talker, and, I suppose, managed to conceal from each of them that he was in contact with any of the others. So he drew a large quantity in small amounts, on the pretext of relieving some pain which he claimed was troubling him.

Years ago, in China, the number of users of narcotics had become so great that desperate measures were put in force. Some curative treatment was provided, and addicts who relapsed were shot. The authorities regarded them as a danger to the state and simply put them out of business. It is difficult to contemplate adoption of such measures in this country; we sympathize in some degree with a person in this condition. But the fact remains that he must have the dope he is accustomed to, and in order to get money to supply himself with it he goes out and peddles the drug. Addicts will tell you that they do not convert others to this vice, but this is not

so. I am firmly convinced that there are cases where, in order to create customers, they induce youngsters to start on this dangerous road. The odd individual of rugged character may withstand the temptation to do so, but the great majority of these people are a menace to others; so that, so far as increasing the severity of penalties to people of this kind, I am in entire agreement with the bill.

Hon. John P. Howden: Honourable senators, this matter of drug addiction has occupied much of my attention for a long time. I have finally come to the conclusion, after a good deal of doubt, that it can be cured, and in a very short time, if the right action is taken with energy and persistence. Dr. Isabel, a medical man from one of the American institutions—it may have been Washington—gave us complete and satisfying evidence on this matter. He cited a number of cases that had been cured—that is, so far as it is possible to cure anyone of anything. Hundreds, if not thousands, were restored to a condition in which they did not want the drug; in fact they could not be persuaded to take it. It is just like feeding a cat or a dog something that stales its appetite: you will cure the animal if you force it to take the substance until becoming sick. Similarly you can bring addicts to the point where they will run away to escape having to take a drug. Undoubtedly this method will work, but its application requires a lot of attention.

There is little evidence that anybody except the people at an institution in the southern states wants to give these addicts proper attention. A number of drugs besides morphine and opium give a pleasant sensation and are habit forming, and this American institution has definitely shown they can cure alcoholics and drug addicts of all kinds. The sure-fire methods is to keep pushing a little bit of one of these drugs into them until they abhor it and dread the very thought of taking it. It is no easy trick, but a few institutions in the United States have tried it.

We hear a lot of talk about curing drug addiction but little has been done about it. Governments and other institutions are reluctant to provide funds for looking after addicts, because it is felt there is no cure for them. I have had a lot of experience in dealing with drug addiction, and I know it can be cured, for I have cured it myself.

Hon. Senators: Hear, hear.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I would like to add a word because we have in the gallery today a large delegation

from the city of Montreal, and I wish to show them that in this house French is both spoken and understood.

I congratulate the mover of this legislation, the honourable senator from New Westminster (Hon. Mr. Reid) upon the splendid work he has been doing for some time in the field of narcotics, in an effort to prevent addiction and to stop the degradation of the terribly large number of Canadians who have developed a taste for narcotics. The honourable senator lives near Vancouver and he may have exaggerated a bit when he claimed that Vancouver has the largest number of addicts. The survey made in Montreal, as the honourable senators will recall, indicated that there is unfortunately a very large number of addicts in that city. That is because major seaports lend themselves to this type of business.

But I do not entirely agree with the honourable senator when he finds the law too harsh on the non-addicts who only peddle narcotics. According to the experience I have had in my small community, which is situated near the United States border, some people who have never used narcotics but only peddle them can do very quickly a great deal of harm to our youth. In my opinion, those responsible for this traffic are guiltier than anyone else and should be treated even more severely than the addicts.

I extend my congratulations to the senator from New Westminster upon his report and I am glad to hear that the drug traffic has not increased since he started his inquiry two years ago. That, in itself, is a victory. Providing we educate our young people, this act should be even more effective, even more social, I might say, and should produce better results than the former one.

(Text):

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

REFERRED TO COMMITTEE

Hon. Mr. Reid moved that the bill be referred to the Standing Committee on Banking and Commerce.

He said: Honourable senators, some honourable members have suggested that the bill might be referred to the Standing Committee on Public Health and Welfare, but I think it would be better to send it to the Standing Committee on Banking and Commerce.

The motion was agreed to.

ROYAL CANADIAN MOUNTED POLICE
BILL

SECOND READING

Hon. Arthur W. Roebuck moved the second reading of Bill E, an Act to amend the Royal Canadian Mounted Police Act.

He said: Honourable senators, this bill is a very short one and its subject matter is simple. Its background, however, is very great indeed and would fill a large book. It springs in the first place from the ancient principle that the Crown can do no wrong. Like the "divinity that doth hedge a king", this principle has cast its shadow over thousands of our civil servants, and so strong has popular opinion against it become that it has been virtually negated throughout Canada. The idea that the Crown can do no wrong and is not under any obligation to answer for wrongs committed in the Crown's name or by Crown officials has been pretty well abolished.

Honourable senators will no doubt remember that in 1953 we passed the Crown Liability Act, which will be found in the Statutes of Canada, 1952-53, chapter 30. The vital clause of the statute is this:

3. (1) The Crown is liable in tort for the damages for which, if it were a private person of full age and capacity, it would be liable

(a) in respect of a tort committed by a servant of the Crown, . . .

I draw attention to the words "a servant of the Crown". That section changed the rule in this jurisdiction very materially. In the second session of 1951 Parliament enacted section 50 of the Exchequer Court Act, which act is chapter 98 of the Revised Statutes of Canada, 1952. Section 50 reads:

For the purpose of determining liability in any action or other proceeding by or against Her Majesty, a person who was at any time since the 24th day of June, 1938, a member of the naval, army or air forces of Her Majesty in right of Canada shall be deemed to have been at such time a servant of the Crown.

May I point out that there is a vast difference between the status of a servant of the Crown and that of some public official who merely holds a public office. A person who holds a public office acts upon his own responsibility. The common law with regard a member of a police force, for instance, who holds a public office, is stated by the great English encyclopaedic authority, Halsbury, in volume 25, page 322, paragraph 530, as follows:

A member of a police force when carrying out his duties as constable, acts as an officer of the Crown and a public servant. His powers whether conferred by common or statute law are exercised

by him by virtue of his office and, unless he is acting in execution of a warrant lawfully issued, can only be exercised on his own responsibility.

That is the common law with respect a member of the police force and it still applies, in large measure, at least, to the ordinary policeman of our municipalities. He acts not as a servant of the municipality or of the commission, but rather on his own responsibility as the holder of a public office.

Paragraph 531 in the same volume of Halsbury says:

The relation of the police authority to the individual constable is not that of master and servant and the police authority are not liable for wrongful acts committed by a constable in the exercise of his duty.

That has always been the common law.

It was thought by our Department of Justice that the Royal Canadian Mounted Police differed from the ordinary constable in that it is organized on a military basis; therefore it was believed that the section which I read, making possible an action by or against the Crown, applied to the R.C.M.P. as well as to the army, the navy and the air force. On that understanding actions have been brought by the Crown, and against the Crown, quite freely for torts committed by members of the R.C.M.P. or torts against the interests of the Crown by third parties. For instance, a case is now pending with regard to an operator of a motor car who was driving at a very high rate of speed, and probably negligently; his car ran into a bus, and, incidentally, injured a civil servant. That case might have run through our lower courts and been adjudicated upon, and the third party might have been ordered to pay damages to the Crown for the injury to the civil servant, for the loss to the Crown of his services, for payment of his salary while he was ill, and perhaps also for expenses resulting from his retirement, if that occurred earlier than it normally would have. All was going well until quite recently a certain case was tried in Australia. That case is reported in 55 *All England Law Reports*, volume 1, page 846. The circumstances, which fit many cases that occur in Canada, were as follows. A policeman was injured by reason of the alleged negligence of a third party, the driver of a motor vehicle. The policeman was hospitalized and his salary was paid, but as he was no longer able to perform his duties he was finally retired or discharged on pension much earlier than he would have been if he had not been injured. The Crown sued the owner of the vehicle for the sum of

\$5,000. The case finally went to the Privy Council, and at page 858 the report reads:

Their Lordships can now express their final opinion on the case. They repeat that, in their view, there is a fundamental difference between the domestic relation of servant and master and that of the holder of a public office and the state which he is said to serve. The constable falls within the latter category. His authority is original, not delegated, and is exercised at his own discretion by virtue of his office; he is a ministerial officer exercising statutory rights independently of contract. The essential difference is recognized in the fact that his relationship to the Government is not, in ordinary parlance, described as that of servant and master.

Farther down the page the report continues:

It would not, in their Lordships' view, be in accordance with modern notions, or with the realities of human relationships today, to extend the action to the loss of service of one who, if he can be called a servant at all, is the holder of an office which has for centuries been regarded as a public office.

The police force involved in that case is in its organization almost exactly the same as the Royal Canadian Mounted Police. So the assumption on which we have been working in recent years evidently is wrong, in that the common law still applies to our dominion police force.

In order to make it entirely clear that our police force should not rely upon the ancient idea that it is not liable for its acts, the explanatory note to the bill states:

For the purpose of determining liability, members of the R.C.M.P. have always been regarded as servants of the Crown . . .

In other words, they are just not office holders who act on their own responsibility, but are servants of the Crown. This means that the principle of master and servant applies, and the Crown is liable for wrongs committed by its servant just as is any other master, if those wrongs are committed in the course of employment. The master is of course not responsible for injury or accident if the servant goes off on a joy ride. But if in the course of his duties for the Dominion of Canada, a constable of the Royal Canadian Mounted Police does some unlawful act by which others are injured, the Crown will be liable to pay damages. On the other hand, if in such circumstances a third party commits a tortious act as a result of which a constable is injured and the Crown loses the services for which he is paid a salary or pension, or if Crown property is damaged, Her Majesty has a right of action against that third party to collect damages.

Hon. Mr. Reid: Would the honourable senator permit a question? Would the situation be any different in a municipality in British Columbia, for instance, where the R.C.M.P. are on loan to the municipality and are not directly under the federal authority?

Hon. Mr. Roebuck: My friend from Halifax-Dartmouth (Hon. Mr. Isnor), sitting behind me, points out that the R.C.M.P. in those circumstances are under contract. While I do not want to place any legal opinions on *Hansard*—I saw this bill only this morning, so I have not had time to give it any special consideration—my first thought is that the Crown would be liable.

Hon. Mr. Farris: By "Crown" do you mean dominion or provincial?

Hon. Mr. Reid: Or municipal?

Hon. Mr. Roebuck: This would be the dominion Crown. The dominion Government takes over the policing of a municipality and pays its officers. Under this bill the Crown would be liable for the tortious acts of its officers doing police work for a municipality.

Hon. Mr. Horner: Would that be the case whether or not the whole province is policed by the R.C.M.P.?

Hon. Mr. Roebuck: I would think so.

Hon. Mr. Hayden: It would be a matter of contract.

Hon. Mr. Roebuck: Yes. But let us get away from the Crown for a moment, and consider the problem on the basis of the principle of master and servant. If a servant employed and paid by me works for the senator from Toronto (Hon. Mr. Hayden) under contract between myself and him, and does some tortious act, I think I as the master am liable.

Hon. Mr. Hayden: What I was suggesting was that whether or not a municipality is liable would be a matter of contract between the municipality and the Crown.

Hon. Mr. Roebuck: Quite so. It might be that under the contract the Crown would have to claim over against the municipality. But let me repeat what I said earlier: I have not given this matter any special consideration, and I do not propose to give legal advice to possible litigants from British Columbia.

The bill is in line with what we have been doing in this particular jurisdiction for a number of years, that of placing the Crown on the same basis, with respect to enforcement and liability arising from wrongs, as the individual. That I think is modern thinking. As I mentioned at the outset, the old idea of hiding behind the "divinity that doth hedge a king" is outmoded, as it should be.

Clarification of the statute by the passage of this bill will place the members of the R.C.M.P. in the same position as the members of the navy, army and air force.

I recall a case in my law practice of some years ago in which a member of the armed forces on a motorcycle ran down a woman at a street corner in Toronto. At that time we could not sue the Crown without first getting a fiat, so we applied for one. It was not exactly refused, but it was delayed until the Statute of Limitations came into effect and took over the rights of the parties. Only then was a fiat granted. I hope we have got away from that type of treatment by the officers of our Department of Justice. Today an officer of the Crown should occupy, and I think by law he now does occupy, the same position with regard to his employer that a private individual occupies with respect to his employer, and the liabilities and the rights are the same. I fancy that the department is more interested in the fact that this bill would give the Crown the right of action against a third party. I believe there are several such cases pending. The bill is not retroactive, and will come into force only on proclamation. However, I am assured that any case which would be governed by the provisions of this bill, had the law in effect been as we thought it was, will be dealt with *ex gratia*, and the rights of the parties will be acknowledged by the law department.

Hon. Mr. Burchill: Am I right in my understanding that passage of this bill will mean no change in the present practice?

Hon. Mr. Roebuck: It will mean no change.

Hon. Mr. Burchill: The bill merely clarifies the practice that has been followed for some time?

Hon. Mr. Roebuck: That is right. The bill merely clarifies a practice which we thought was sound until the Australian case which I mentioned was taken before the Privy Council.

Hon. Jean-François Pouliot: Honourable senators, to summarize this legislation as I understand it, it should be mentioned that the Commissioner of the Mounted Police should not consider his men above the law.

Hon. Mr. Roebuck: That is right.

Hon. Mr. Pouliot: Very often we have to discuss matters of this kind with the Mounted Police and we find that they are infallible—they never make a mistake, they are always right, and the poor people who are run down by the Mounties are always in the wrong. I would say, though, there was one exception: some years ago it happened that a car driven by a Mountie struck another car. It was a clear case of negligence on the part of the Mountie. I took the case up with Commissioner Wood, who was in charge at the time,

and he ordered the constable to pay the repair bill. There was no law suit; it ended there—it was a case of swift and sure justice. It would seem that Commissioner Wood did not hold the view that politicians were always wrong in defending the rights of the people.

Hon. Mr. Roebuck: May I ask the honourable senator how long ago that was?

Hon. Mr. Pouliot: That happened many years ago. Since then it has been impossible to discuss certain matters with the Mounted Police. I do not like to make any complaints against anyone who cannot defend himself in the Senate, but I shall say how I view this bill. What is the use of passing legislation if it is interpreted wrongly by those in office? I will be very tolerant: I will close my eyes to this legislation and believe what my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) has said. He may be right or he may be wrong. But my experience is that the Mounties are never wrong, according to the dictates of their superior officers.

Hon. Mr. Roebuck: Honourable senators, the constable in that case which arose some years ago was personally liable and the Crown, his employer, was not. That is why the Commissioner told the constable to pay the claim and did not acknowledge any responsibility on the part of the Crown.

Hon. Mr. Pouliot: Well, I have other cases that I could mention. I know of a mounted policeman who was driving along the highway in a storm, going very fast behind another car, and using his siren to frighten innocent people driving on that road. An accident happened, but the Mounties were said to be in the right and nothing could be done.

Last night some of our colleagues indulged in personal reminiscences. I might do the same, but as I have many, and might detain the house too long, I will stop.

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

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

Hon. Mr. Macdonald: Next sitting.

CANADA COUNCIL BILL

MOTION FOR THIRD READING—
DEBATE ADJOURNED

Hon. Mr. Macdonald moved the third reading of Bill 47, an Act for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences.

Hon. Jean-François Pouliot: Honourable senators, on the third reading of this bill I could make another long speech, but I will abstain.

On the motion for second reading I registered my protest against a bill of this kind, which I find untimely and uncalled for. I do not see why we are passing such legislation, because education is within the exclusive jurisdiction of the provinces. We have to take it for granted that each province has the right to choose its own Government. Even when a provincial Government does not agree with the views of the central Government here at Ottawa, it must be remembered that the provincial Government has been chosen by the majority of the people within the province to administer the affairs of the province during the term of the Legislature.

I have already expressed myself clearly—I do not see why we should appoint a council to administer moneys for the building of new university projects or for the awarding of scholarships. Naturally, expectations will be greater than the number of students who will receive those scholarships, and many students will be disappointed. My main objection to this kind of legislation is that members of the Canada Council will not be in a position to tell the universities what they shall do in matters of education. The members will be prevented by the Constitution from making their awards as useful as they would be if the council had the authority and the jurisdiction to deal fully with the matter.

Now, honourable senators, the majority of the Senate is in favour of this legislation and I bow to the majority. We are in a democratic country, and you are for the legislation, so let us have it. But you will take the responsibility for the whole thing and you will never be able to blame me for not having warned you about the results of this legislation, if it is unsatisfactory. I do not hope it will be unsatisfactory. I hope that the members of the council will be well qualified, and that they will succeed in their administration. But if you wish them to be successful they must be independent of all the universities, so that they may be fair in their dealings with the universities themselves.

Before concluding, honourable senators, I must also remind you that several heads of universities have refused to accept university grants from Ottawa. I shall not specify them, but the facts are on record; they are known to anyone who reads the newspapers or listens to the radio.

So, let us hope for the best—or for the better. Let us see how this works.

(Translation):

Hon. Mr. Vaillancourt: Honourable senators, I disagree with my honourable friend from De la Durantaye (Hon. Mr. Pouliot) as regards the Canada Council. He claims that

education is reserved to the provinces. That is precisely why the Government has organized this Canada Council, so that the Council can distribute scholarships, just as the Royal Society of Canada is doing at the present time. It is not the first time that the Government has given money to independent bodies. Every year the Royal Society of Canada gives scholarships to professors of Laval University, the University of Montreal and elsewhere, so that they may study abroad and obtain further training. Our universities receive scholarships from the Carnegie Foundation, the Ford Foundation, the Rockefeller Foundation and others, and these scholarships are given under clearly specified conditions. This money comes from foreign organizations. In other words, because these scholarships do not come from the federal Government, they are accepted. The federal Government wants to do the same thing, not in order to interfere, but to endow an autonomous body so that the money may be distributed for the improvement of teaching and to help the poorer and more gifted students who could not go on with their studies without such help.

Let us take the case of family allowances; the mother will only receive those allowances if her school-age child attends school up to the age of sixteen. But the child is not obliged to follow any particular textbook or course. The idea is to give him the opportunity of obtaining a better education or further training.

In this case, the grants will be made to an autonomous body, which will have to give a yearly account of its expenses to Parliament, just as the universities have to account for the money given to them by the Foundations of which I have spoken.

That is why the Prime Minister of Canada, probably the greatest prime minister Canada has ever had—

Hon. Senators: Hear, hear!

Hon. Mr. Vaillancourt: —introduced this legislation. Because of his honesty and of his love for all Canadians, I have faith in him.

Hon. Mr. Pouliot: Honourable senators, on a question of privilege, I have only a word to say in reply to the honourable senator's speech. It is that if I disagree with the Prime Minister in connection with this bill it does not mean that I have less respect for him, or that I no longer consider myself as one of his supporters.

Hon. Mr. Vaillancourt: Honourable senators, I do not want to suggest that my honourable friend lacks confidence in the Prime Minister or that he is no longer a

supporter of his. My colleague is entitled to his opinion, just as I am to mine.

The Hon. the Acting Speaker: There is no point of order or question of privilege. The incident is closed.

(Text):

On motion of Hon. Mr. Roebuck, the debate was adjourned.

PRIVATE BILL

EQUITABLE FIRE INSURANCE COMPANY OF CANADA—SECOND READING

Hon. Cyrille Vaillancourt moved the second reading of Bill K-8, an Act respecting Equitable Fire Insurance Company of Canada.

He said: Honourable senators, the purpose of this bill is to extend the period during which the Minister of Finance may grant a permit of operation to this insurance firm, and to change its name to Equitable General Insurance Company of Canada.

The Equitable Fire Insurance Company of Canada was granted a federal charter in 1952, by chapter 61 of the statutes of that year. This federal company is to replace the company bearing the same name which has been in operation since 1901 under a provincial charter. That is, it is intended to transfer the operations of the Equitable Fire Insurance Company from a provincial to a federal charter.

This bill is similar to other bills which were passed in similar circumstances. I refer honourable senators to 11-12 George VI, chapter 86, and 14 George VI, chapter 58.

Paragraph 2 of section 4 of the Canadian and British Insurance Company Act states that a charter granted to an insurance company shall expire unless the licence of operation be obtained within two years from the date upon which the charter was granted.

In this case the extension of time had already been granted, through a private bill passed in 1955, but this extension expired on June 18, 1956. In order to transfer its charter, the company waited until the amendment of income tax law whereunder the service of the provincial company to be transferred to the federal company would not be charged as a dividend against the shareholders, and the capital to be reimbursed to the shareholders would not be so charged against them.

The Income Tax Act has been changed in this respect. This amendment was assented to on August 14, 1956, and is now paragraph 3 of Section 22 of Chapter 39 of the 1956 Statutes. Now that this amendment has been adopted, the transfer from a provincial charter to a federal charter can be affected without

the shareholders being penalized by paying income tax on amounts which they will not receive.

This bill has been approved by the Superintendent of Insurance.

It is also provided in the bill that the name Equitable Fire Insurance Company of Canada be changed to Equitable General Insurance Company of Canada. There is a company bearing the name Equitable Fire and Marine Insurance Company, and the similarity of this name with that of the company petitioning for the bill has caused some confusion. I know that still another company, the Equitable Life Insurance Company of Canada with head office at Waterloo, Ontario, is opposed to the changing of the petitioning company's name to Equitable General Insurance Company of Canada. However, I do not think it would be difficult to reach some satisfactory arrangement as to the name when the bill is before the Standing Committee on Banking and Commerce.

Hon. W. D. Euler: Honourable senators, when I declined to second the motion for the second reading of this bill it was not because I have any definite objection to the main object of the bill, but there is one clause in it to which I do make a tentative objection. I could not very well object to the proposal to substitute a federal charter for the existing provincial charter under which this company has been operating for a good many years, for as late as last night I proposed the very same thing with respect to another company from the city of Waterloo.

Perhaps I might review very briefly the history of the Equitable Fire Insurance Company of Canada. As my friend from Kennebec (Hon. Mr. Vaillancourt) has stated, this company has been operating under provincial charter in the province of Quebec. In 1952 it came before Parliament for the purpose of being reincorporated as a dominion company. Amending legislation was passed and the name of the new dominion company was "Equitable Fire Insurance Company of Canada". The Equitable Life Insurance Company, whose head office is at Waterloo, Ontario, had no objection whatsoever to this. However, the new Equitable Fire Insurance Company of Canada did not become registered within the necessary two years of the passing of its act of incorporation, and the act expired. It was revived in 1955, under the same name, the Equitable Fire Insurance Company of Canada, but the act expired again in 1956.

Now the company is before Parliament with this bill, proposing to get a federal charter. I do not object to this at all, but the bill also proposes that the name of the company be changed to Equitable General Insurance Company of Canada. It is to this name that I make

a tentative objection on behalf of the Equitable Life Insurance Company, of Waterloo, Ontario.

The whole matter of changing the name of the petitioning company must of necessity lie with our Banking and Commerce Committee, but I wanted to place the views of the officials of the Equitable Life Insurance Company of Waterloo before the Senate.

When the company made application for this bill Mr. K. R. MacGregor, the Superintendent of Insurance, wrote to Mr. M. J. Smith, General Manager of the Equitable Life Insurance Company of Waterloo. I might perhaps quote from his letter:

You may have noticed that the company has returned to Parliament again at the current session and has presented a bill for the purpose of reviving the original act . . . In addition, however, the present bill would change the name of the company to the Equitable General Insurance Company of Canada.

That is not as it had been and as it was in the two previous reincorporating bills. The present bill eliminates the word "Fire" and substitutes the word "General".

Mr. MacGregor went on to say:

I do not know whether you are aware of this latest proposed change in name but I should be glad to have your assurance that it would also be acceptable from your company's point of view.

Mr. MacGregor suggested that, if there was any objection to the new name, Mr. Smith might get in touch with Mr. Jacques de Billy, General Solicitor for the Quebec company, and try to reach some agreement on the matter.

Mr. Smith then replied to Mr. MacGregor, stating, in part:

We did not know about the specific name proposal mentioned in your letter of February 22. . . . I thought in renewing their application the name agreed upon would be used.

Mr. Smith enclosed a copy of the letter he had written to the solicitor for the Quebec company, and I would like to quote briefly from it:

Dear Mr. de Billy:

You will recall that a number of years ago we had correspondence about the federal reincorporation of the Equitable Fire Insurance Company, but omitting the word "Fire". At the time we felt that the proposed name would lead to confusion affecting both that company and our own, and it was then agreed that the word "Fire" would be retained in the title, which was satisfactory to us.

I understand that it is now proposed to have the name changed to Equitable General Insurance Company of Canada. We are disturbed by this proposal because it breaks down the distinction between Life and Fire which our name and the agreed-upon name would have retained. Even at that our two names would have been quite similar.

That might possibly have led to a little confusion, but so long as the word "Fire"

was in one and the word "Life" was in the other, there would be no great confusion. Mr. Smith added:

We trust that you can give consideration to our views. We realize we cannot complain about the word "Equitable" which was in the original name of the company. We would continue to make no objection to the word "Fire", nor would we object to "Equitable Fire and General Insurance Company of Canada". I may say that in addition to our Life business we are in the process of asking for authority to write Sickness and Accident business; therefore since both of us might be in general lines, it would seem to us best to make the distinction between companies as clear as possible.

So far as I know it has always been the policy of the Banking and Commerce Committee to avoid as far as possible the duplication of names in companies. In other words, whenever a new company has sought incorporation we have always been careful to see that it does not adopt a name which would conflict with that of any company already in existence. I am inclined to think there is a good deal of force in what the General Manager of the Equitable Life Insurance Company of Canada has said. I think a wrong impression might be created by substituting the word "General" for the word "Fire" in the name of this company which is now before Parliament. The word "General" might embrace anything at all. It might even include life assurance. At any rate, to some extent I think it would be misleading. I am not going to press the point too far but I wanted to place the views of the Equitable Life Insurance Company of Canada before the Senate. I would say to honourable senators that when the bill is before the Standing Committee on Banking and Commerce representations will probably be made by the Equitable Life Insurance Company of Canada. I hope that the two companies will get together and decide upon a name that would be mutually satisfactory. One suggestion, which I thought was rather good, was that the petitioning company might be named Equitable Fire and Casualty Company.

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

REFERRED TO COMMITTEE

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

WESTERN ASSURANCE COMPANY— SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill L-8, an Act respecting The Western Assurance Company.

He said: Honourable senators, this bill deals solely with the change in the manner in which the directors of the company shall qualify as directors. The bill provides that

they must be shareholders. The incorporating statute, which was enacted by Parliament in 1920, provided that the directors should hold for their own use 250 shares of the company, which at par value of \$10 each, meant that an investment of \$2,500 was required. The market price is now \$110 per share, which means that to qualify as a director a person must make an investment of about \$27,000. It becomes increasingly difficult to provide for directors when the qualification is expressed in that way. The qualification is even greater than for directors of a bank, under the Bank Act. The maximum amount stated in the Bank Act is not less than \$5,000 where the capital of the bank is in excess of \$3 million. Yet to become a director of this company, which has a smaller operation, one is required to expend, as I say, about \$27,000. The proposed amendment changes the wording of the section providing for the qualification of a director and requires that he must own in his own right 100 shares, which he must buy on the market at the prevailing price. That is the only proposal of the bill.

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

REFERRED TO COMMITTEE

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

BRITISH AMERICA ASSURANCE COMPANY— SECOND READING

Hon. Mr. Hayden moved the second reading of Bill M-8, an Act respecting The British America Assurance Company.

He said: Honourable senators, this bill is a companion bill, so to speak, to the one I have just explained. The majority of the directors and shareholders are the same in each of the companies, and substantially the same kind of business is carried on. The same qualification provision is contained also in the original special act of 1920 incorporating this company. That is to say, a director is required to hold 250 shares of the company, which are of a par value of \$10 each. But the value of these shares has enhanced considerably and in order to become a director today a person would be required to invest considerably more than \$2,500. The proposed amendment provides that a director must hold 100 fully paid shares of the company, and limits him to that number of shares.

Clause 1 of the bill deals with the time of calling the annual meeting. Since there is a similar shareholding relationship in this company to that of The Western Assurance Company, it has been found difficult to adjust the times of their annual meetings in accordance with the requirements of the

statute. At present the statute requires that the annual meeting be held on such day in each year, not later than the last day of the month of March. Section 1 of the bill, as amended, reads as follows:

The annual meeting of the shareholders shall be held at the head office of the Company on such day in each year as shall from time to time be fixed by resolution of the directors.

In other words, a little more flexibility is provided so that the company may arrange to hold its meeting at a convenient date, rather than being obliged to hold it not later than the end of March, whether that happens to be a convenient time or not.

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

REFERRED TO COMMITTEE

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

DIVORCE BILLS

SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill Z-7, an act for the relief of Ludmila Eremeeff Mazaraky.

Bill A-8, an act for the relief of Mary Elizabeth Williamson Miller.

Bill B-8, an act for the relief of Phyllis Shirley Moore Lariviere.

Bill C-8, an act for the relief of Joseph Ricardo Bouziane.

Bill D-8, an act for the relief of Grzegorz Niski, otherwise known as Gregory Niski.

Bill E-8, an act for the relief of John Masson Garland.

Bill F-8, an act for the relief of James Frederick Greengrass.

Bill G-8, an act for the relief of Jeanne D'Arc Ouellette Martin.

Bill H-8, an act for the relief of Theophila Yanishewski Lazoryk.

Bill I-8, an act for the relief of David Hutcheson MacKay.

Bill J-8, an act for the relief of Karl Heinz Grube.

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

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 7, 1957

The Senate met at 3 p.m., the Hon. Thomas Vien, P.C., Acting Speaker, in the Chair.

Prayers.

Routine proceedings.

HON. CAIRINE R. WILSON

WELCOME ON RETURN TO SENATE

The Hon. the Acting Speaker: Honourable senators, I am very pleased to welcome today the honourable senator from Rockcliffe (Hon. Mrs. Wilson), whom we have missed for some weeks. We are all glad to see her back in her place.

Hon. Senators: Hear, hear.

MUNICIPAL GRANTS BILL

FIRST READING

A Message was received from the House of Commons with Bill 158, an Act to amend the Municipal Grants Act.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

NARCOTIC CONTROL BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Banking and Commerce Committee, presented the report of the committee on Bill D.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (D) intitled: "An Act to provide for the control of narcotic drugs", have in obedience to the order of reference of March 6, 1957, examined the said bill and now report the same with the following amendment:—

Page 7: After clause 19 add new clause 20, as follows:

"20. This act shall come into force on a day to be fixed by proclamation of the Governor in Council."

The Hon. the Acting Speaker: Honourable senators, when shall the said amendment be considered?

Hon. Mr. Hayden: Next sitting.

PRIVATE BILLPÈRES OBLATS DE L'IMMACULÉE CONCEPTION
—REPORT OF COMMITTEE

Hon. Arthur L. Beaubien, for Hon. Harold Connolly, Acting Chairman of the Standing

Committee on Miscellaneous Private Bills, presented the report of the committee on Bill I-7.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred the Bill (I-7) intitled: "An Act respecting Les Révérends Pères Oblats de l'Immaculée Conception de Marie", have in obedience to the order of reference of February 28, 1957, examined the said bill and now report the same with the following amendments:

1. Page 2, line 27: Strike out the words "and dispensaries" and substitute therefor the following: "dispensaries and cemeteries"

2. Page 2: After clause 4 insert the following as new clause 5:

"5. Subject always to the terms of any trust relating thereto, the Corporation may also sell, convey, exchange, alienate, mortgage, lease or demise any real or personal property held by the Corporation, whether by way of investment for the uses and purposes of the Corporation or not; and may also, from time to time invest all or any of its funds or moneys, and all or any funds or moneys vested in or acquired by it for the uses and purposes aforesaid, in and upon any security by way of mortgage, hypothec or charge upon real property in any part of Canada; and for the purposes of such investment may take, receive and accept mortgages, hypothecs or charges or assignments thereof, whether made and executed directly to the Corporation or to any corporation, body, company or person in trust for it; and may sell, grant, assign and transfer such mortgages, hypothecs or charges or assignments either wholly or partly."

3. Page 4: Strike out clause 12 and substitute therefor the following:

"12. Section 1 of the principal Act is amended by striking out the words "natural born or naturalized subjects of Her Majesty", and also by striking out the words "not exceeding in yearly value the sum of two thousand pounds currency of this Province", as they appear therein".

The Hon. the Acting Speaker: Honourable senators, when shall the said report be considered?

Hon. Mr. Beaubien: Next sitting.

ADJOURNMENT

Hon. Mr. Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

The motion was agreed to.

GHANA

CELEBRATION OF INDEPENDENCE

On the Orders of the Day:

Hon. R. B. Horner: Honourable senators, before the Orders of the Day are proceeded with I wish to draw the attention of the house to a matter of some importance. As we all know, Ghana, formerly known as the Gold Coast Colony, recently celebrated its national independence and entry into the Commonwealth—and I am sure we welcome her as a sister nation. I notice that a Canadian cabinet minister and his lady

attended the ceremonies, but there was no representation of Her Majesty's loyal Canadian Opposition. I think the Opposition should have been represented. Of course, had it been represented by a senator the Opposition ranks in this house would have been weakened, but in the other house they would have remained strong.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, before the Orders of the Day are proceeded with, I am happy to associate myself with the acting leader opposite (Hon. Mr. Horner) in congratulating and welcoming in our midst the new member of the Commonwealth.

Those who heard the Queen's Christmas message remember that she spoke both as the Queen and as the mother of a family. She made a parallel between her family life and that of the Commonwealth and compared the members of the Commonwealth to the members of her family, who may sometimes differ but who, eventually always manage to agree in the interest of the whole family.

MONTREAL NORTH BUSINESSMEN'S ASSOCIATION

It also gives me pleasure to greet the large delegation from the Montreal North Businessmen's Association which I see in the galleries of the house and to prove to them that in this house, just as in the other place, it is possible to make oneself understood in French as well as in English.

(Text):

ROYAL CANADIAN MOUNTED POLICE BILL

THIRD READING

Hon. W. Ross Macdonald, for Hon. Mr. Roebuck, moved the third reading of Bill E, an Act to amend the Royal Canadian Mounted Police Act.

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

DIVORCE BILLS

THIRD READINGS

Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill Z-7, an act for the relief of Ludmila Eremeeff Mazaraky.

Bill A-8, an act for the relief of Mary Elizabeth Williamson Miller.

Bill B-8, an act for the relief of Phyllis Shirley Moore Lariviere.

Bill C-8, an act for the relief of Joseph Ricardo Bouziane.

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Bill D-8, an act for the relief of Grzegorz Niski, otherwise known as Gregory Niski.

Bill E-8, an act for the relief of John Masson Garland.

Bill F-8, an act for the relief of James Frederick Greengrass.

Bill G-8, an act for the relief of Jeanne D'Arc Ouellette Martin.

Bill H-8, an act for the relief of Theophila Yanishewski Lazoryk.

Bill I-8, an act for the relief of David Hutcheson MacKay.

Bill J-8, an act for the relief of Karl Heinz Grube.

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

CURRENCY, MINT AND EXCHANGE FUND BILL

MOTION FOR SECOND READING— DEBATE ADJOURNED

Hon. Joseph A. Bradette moved the second reading of Bill H, an Act to amend the Currency, Mint and Exchange Fund Act.

He said: Honourable senators, it will readily be seen that this is a simple bill, with no complications. It consists of only two clauses. Clause 1 reads as follows:

Part II of the Schedule to the Currency, Mint and Exchange Fund Act is amended by striking out the remedy allowance of 3.00 grains for a group of one dollar's worth (ten pieces) of coins of the denomination of ten cents, and substituting therefor the remedy allowance of 15.00 grains.

Perhaps honourable senators will permit me to read the explanatory note also:

The purpose of this bill is to increase the remedy allowance for ten-cent pieces. The new high speed rolling mills, which were installed in the Mint early in 1956, cannot give as precise a thickness as former mills. The proposed new remedy allowance is the same as that in the United States.

Honourable senators, in order to understand the meaning and purport of the bill I had an interview yesterday with Mr. Williams, Master of the Mint, and other officials, from whom I learned that the new machines are necessary to take care of the increased production. I was informed that a ten-cent piece weighs 36 grains, and that the tolerance is less than half a grain.

Some honourable members may ask if there will be any loss to the Mint from the increase in the remedy allowance. The answer is that the allowance could be a plus or a minus—in other words, that it is just as likely to be a gain as a loss. New machinery of the kind recently installed here has been in use for some time in the United States and certain European countries.

As I have said, the bill is a simple one. I do not know whether honourable senators

would like to have it referred to the Banking and Commerce Committee, and I am in the hands of the house in that respect.

Hon. Mr. Reid: May I ask the honourable senator what precious metal is used for the coins? Is it nickel or silver?

Hon. Mr. Bradette: It is an alloy of silver, but I believe there is a small amount of nickel in it. The proportions of metals in the alloy are not being changed at all; the bill simply increases the remedy allowance for ten-cent coins.

Hon. Mr. Macdonald: Honourable senators, I understood that an amendment was to be proposed to this bill for the purpose of bringing the amendment into effect earlier than January 1, 1957. With the permission of the honourable senator from Cochrane (Hon. Mr. Bradette) I would move the adjournment of the debate.

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

EXCHEQUER COURT BILL

SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill 160, an Act to amend the Exchequer Court Act.

He said: Honourable senators this is a simple bill. It would make two changes in the Exchequer Court Act with respect to the Registrar of that court. First, it would remove the statutory limitation of \$7,500 on the annual salary of the Registrar. Secondly, it would remove the requirement that he reside in the city of Ottawa, and allow him to live within five miles of the city.

Hon. T. A. Crerar: Honourable senators, there can be no objection to the change permitting the Registrar to reside within five miles of the city of Ottawa. That I think is entirely normal and quite in order. But there is a question in my mind as to the wisdom of removing the limitation on salary and leaving it to be fixed by the Governor in Council. All through our history, I think, the practice has been to fix by statute the salaries of important officials. I trust the bill will go to a committee where we may get more enlightenment on the proposed change. The limitation of \$7,500 on the Registrar's salary may be outdated; if so, would it not be possible to specify a larger maximum in the act? That would accord with what has been done in the cases of many other senior members of the Civil Service.

Hon. Thomas Reid: May I ask the honourable Leader of the Government why it is proposed to limit the distance at which the Registrar may live outside Ottawa to five

miles? In these days of high-speed cars, a person living five miles away is barely outside the city. I am not in favour of such an official living outside Ottawa, but if there is to be an amendment of this kind why make the limit five miles instead of ten or fifteen miles?

Hon. Salter A. Hayden: Honourable senators, I had not intended to say anything about this bill, but the observation of the senator from New Westminster (Hon. Mr. Reid) has rather intrigued me. There is nothing inherent in the position or work of the Registrar of the Exchequer Court that requires him to live close to the chamber where he performs his duties. He is not like a fireman, who must be right next door to the facilities which he is to use in case of a fire. I can assure my honourable friends that there are no fires in the Exchequer Court. But sometimes the officers of the court have so much work to do that they are not able to dispose of it as quickly as they would like to. The Registrar is an administrative officer of the court; he is charged with the various processes in connection with the proceedings that commence in the court and he attends at court when the sittings are in Ottawa. He has deputy registrars who accompany the judges when they go out on circuit to various parts of Canada. I take it that the only necessary requirement as to the residence of the Registrar is that he should live within an area that would enable him to be reasonably available for the day to day discharge of his duties, and I think a provision to that effect would be sufficient. The limitation of five miles outside the city is unrealistic today.

While I am on my feet, may I say a word about the salary? The act at present says it shall not exceed \$7,500. The position is not one of those in the top bracket, for which the salaries ordinarily are or should be fixed by Parliament. It is an administrative office, and I think there should be some latitude as to the salary, so that the Governor in Council in the exercise of his discretion from time to time may pay the proper going salary without having to wait for the machinery of Parliament to function and determine the amount.

Hon. Mr. Macdonald: Honourable senators,—

Hon. Mr. Reid: Honourable senators, I would like an answer to the question that I asked a moment ago.

Hon. Mr. Macdonald: Honourable senators,—

The Hon. the Acting Speaker: I would remind the house that if the honourable leader (Hon. Mr. Macdonald) speaks now he will close the debate.

Hon. Mr. Reid: I am wondering if I could have an answer to my question.

Hon. Mr. Macdonald: Honourable senators, I will answer the question asked by the honourable senator from New Westminster. Five miles from Ottawa was thought to be a reasonable limit. The honourable senator from Toronto (Hon. Mr. Hayden) suggested we might substitute for "five miles" the words "within a reasonable distance". Well, who would decide whether a certain distance was reasonable or not?

Hon. Mr. Reid: I believe the Registrar himself could do that. If he carries out his duties, that is the main thing.

Hon. Mr. Macdonald: The Registrar might have an idea different from that of a Judge as to what distance was reasonable. I do not think that would be a happy condition.

Hon. Mr. Farris: What is the limitation on a Judge as to residence?

Hon. Mr. Macdonald: I have not that information at hand, but my impression is that a Judge is required to live within the city of Ottawa. However, that information can be obtained when the bill is in committee. I thought my honourable friend from Vancouver South (Hon. Mr. Farris) would be familiar with that requirement as to Judges of the Exchequer Court, since he appears before that court quite often.

Hon. Mr. Farris: They are always in court when I get there.

Hon. Mr. Macdonald: I am sure the honourable senator is never "out of court" when he is there. With respect to what is a reasonable distance, my honourable friend from New Westminster (Hon. Mr. Reid) suggests that one could reach the court in very short time from a distance of 10 or 15 miles outside the city. I would say to the honourable senator that if he were trying to get from Rockcliffe to the Exchequer Court, and had to come through Confederation Square in a busy period, he probably would arrive late.

Hon. Mr. Baird: Suppose the Registrar lived six miles from the court, would there be any penalty?

Hon. Mr. Macdonald: I do not think the act would be construed as strictly as that.

Now with respect to the suggestion of the honourable senator from Churchill (Hon. Mr. Crerar), all I can say is that the salaries for positions comparable to this one are fixed by the Governor in Council. The salaries of the Governor General, Lieutenant Governors of the provinces, Judges, members of the Board of Transport Commissioners, members

of the Income Tax Appeal Board and members of the Tariff Board are fixed by statute.

Honourable senators, I think it is unnecessary for me to say any more at this time. It has been suggested that the bill be referred to a committee, and I have no objection to that.

Hon. Mr. Reid: May I ask a question of the leader? Who is the present Registrar of the Exchequer Court and where does he live?

Hon. Mr. Macdonald: I am informed by the honourable senator from Ottawa West (Hon. Mr. Connolly) that the present Registrar is Mr. Gabriel Belleau, Q.C.

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

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

PRIVATE BILL

BISHOP OF THE ARCTIC— SECOND READING

Hon. G. Percival Burchill moved the second reading of Bill N-8, an Act respecting the Bishop of the Arctic.

He said: Honourable senators, this is a very simple bill. It involves certain parcels of land which are in the diocese of the Arctic, originally the diocese of Mackenzie River, in the Northwest Territories, which were used for mission houses, churches, cemeteries and other purposes. They were registered in 1933 and are still registered in the Name of the Bishop of Mackenzie River, whose diocese has disappeared, along with the Bishop, and whose assets have been taken over by the Bishop of the Arctic. The purpose of the bill is merely to effect the transfer of these lands, which are in the name of the Bishop of Mackenzie River, to the Bishop of the Arctic.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Burchill, the bill was referred to the Standing Committee on Miscellaneous Private Bills.

DIVORCE BILLS

SECOND READINGS

Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill O-8, an Act for the relief of Waltraud Feronika Thorwart Servay.

- Bill P-8, an Act for the relief of Elizabeth Krawchuk Yovdofchuk Ripchinsky.
- Bill Q-8, an Act for the relief of Gweneth Vernice Blackman Waterman.
- Bill R-8 an Act for the relief of Pauline Margaret Patricia Sylvester McLean.
- Bill S-8 an Act for the relief of Mary Boldovitch Mogil, otherwise known as Mary Boldovitch Mogilesky.
- Bill T-8, an Act for the relief of Doris Irwin Phillips.
- Bill U-8 an Act for the relief of Kathleen O'Malley Romandini.
- Bill V-8, an Act for the relief of Lillian Yochalas Ostroff.
- Bill W-8, an Act for the relief of Gladys Catherine McCluskey MacFarlane.
- Bill X-8, an Act for the relief of Mary Kathleen Pineault Miller.
- Bill Y-8, an Act for the relief of Terez Lazar Jankovicz.
- Bill Z-8, an Act for the relief of Winona Beryl Buzan Maynard.

- Bill A-9, an Act for the relief of Rose Marie Hops Zinman.
- Bill B-9, an Act for the relief of Doris Velma Gardner Briggs.
- Bill C-9, an Act for the relief of Pinck Kempinski.
- Bill D-9, an Act for the relief of Margaret Lukis Lambert.
- Bill E-9, an Act for the relief of June Angela Duyvewaardt Corse-Scott.
- Bill F-9, an Act for the relief of Frank Maun James.
- Bill G-9, an Act for the relief of Doris Louise Richardson Turner.

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

The Hon. the Acting Speaker: Honourable Senators, when shall these bills be read the third time?

Hon. Mr. Gershaw: Next sitting.

The Senate adjourned until Tuesday, March 12, at 8 p.m.

[The following text is extremely faint and largely illegible, appearing to be a continuation of a report or a list of bills. It contains several lines of text that are difficult to decipher due to low contrast and blurring.]

THE SENATE

Tuesday, March 12, 1957

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

Prayers.

Routine proceedings.

HIS HONOUR THE SPEAKER

WELCOME ON RETURN TO THE CHAIR

Hon. W. Ross Macdonald: Honourable senators, before we proceed with the business of the house I am sure I can say how pleased everyone is to welcome His Honour the Speaker back to our assembly.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: We trust that he has made a complete recovery, and that he will be with us for the balance of the session. I think he should know that, if the sittings are of undue length, or even if they are not too long, and he feels that he would like to leave the Chair, there will always be an honourable senator pleased to assist him. We extend to him a hearty welcome back.

Hon. Senators: Hear, hear.

The Hon. the Speaker: Honourable senators, I thank the honourable Leader of the Government in the Senate (Hon. Mr. Macdonald) for the very kind welcome he has extended so felicitously to me. I thank also my colleagues for the warmth of their reception, and those who have facilitated my absence by presiding while I was away.

MERCHANT SEAMEN COMPENSATION BILL

FIRST READING

A message was received from the House of Commons with Bill 178, an Act to amend the Merchant Seamen Compensation Act.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

BUDGET SPEECH

ACCOMMODATION FOR SENATORS IN COMMONS GALLERY

The Hon. the Speaker: Honourable senators, on March 17, 1931, the then Speaker of the Senate, the Honourable P. E. Blondin, issued and distributed to honourable senators the

following instructions regarding the use of the Senate Gallery in the House of Commons on budget night:

Upon the occasion of the delivery of his Budget Speech by the Finance Minister, none but senators will be admitted to the Senate Gallery of the House of Commons. This step is taken for the purpose of providing accommodation in the gallery for as many senators as possible.

In past years many senators have been excluded from the gallery upon similar occasions on account of many of the places being occupied by relatives and friends of senators.

This practice has been followed ever since by succeeding Speakers.

DIVORCE BILLS

FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill H-9, an Act for the relief of Jacques Piche.

Bill I-9, an Act for the relief of Ruby Ivy Jewell Daniel.

Bill J-9, an Act for the relief of Clara Soloway Rudy Sazant.

Bill K-9, an Act for the relief of Jean Houde.

Bill L-9, an Act for the relief of Gisele Comtois Brodeur.

Bill M-9, an Act for the relief of Mitzi Aronovitch Bezonsky.

Bill N-9, an Act for the relief of Miriam Brodish Silverman.

Bill O-9, an Act for the relief of Paule Chaput Mongeau.

Bill P-9, an Act for the relief of George William Ellis.

Bill Q-9, an Act for the relief of Joseph Gagne.

Bill R-9, an Act for the relief of Lois Altena Robertson Meade.

Bill S-9, an Act for the relief of Ethelynn Joan Ratcliff Gauvreau.

Bill T-9, an Act for the relief of Mary Flatman Tardif.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

PRISONS AND REFORMATORIES BILL

FIRST READING

Hon. W. Ross Macdonald presented Bill U-9, an Act to amend the Prisons and Reformatories Act.

The bill was read the first time.

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

Hon. Mr. Macdonald: With leave, next sitting.

THE LATE SENATOR DAIGLE

TRIBUTES TO HIS MEMORY

On the Orders of the Day:

Hon. W. Ross Macdonald: Honourable senators, before the Orders of the Day are proceeded with, may I say we were all deeply shocked to hear on Friday last that one of our colleagues, Senator Daigle, had passed away in Florida. His passing was a great loss not only to the country at large, but to many of us personally. He was a very dear and close personal friend to me. From the time he entered the Senate he took an interest in the work I was then doing in the House of Commons. I was quite impressed that a member of the Upper Chamber should interest himself in the work of one of the members of the other house. It was my privilege to become better acquainted with him over the years, and to visit in his home. He had a charming wife and a lovely family, consisting of three daughters and five sons. His was a typically fine Canadian family, indeed one of which Canadians could be proud.

As I said, Senator Daigle took an interest in the work I was doing in the House of Commons. He was particularly interested in my efforts to speak the French language. I think, therefore, I should say a few words this evening in his native tongue.

(Translation):

Honourable senators, Senator Daigle took an interest in my efforts to learn French. He encouraged me heartily in my endeavour and was not upset by the mistakes I made in speaking that language. Thanks to the patience which Senator Daigle and others have had with me in that respect, I have been enabled to speak better French in this house.

(Text):

Senator Daigle was born on May 16, 1892, at St. Roch Sur Richelieu, Quebec, to Theodore Daigle and Celina Colette. I may say that the late senator and I were practically the same age. I was born December 25, 1891, just a few months before his birth.

Our late colleague received his education at Mont Saint Bernard College, in Sorel, and immediately launched on a business career which led him to eminence in his native province.

Senator Daigle was an executive of several large insurance companies and business

enterprises. He was President of General Security Insurance Company of Canada and a director of Page-Hersey Tubes Limited, R.C.A. Victor Company Limited, Montreal Life Insurance Company, Administration Trust Company, Canadian Brewers Limited and Windsor Hotel Limited.

Notwithstanding his many business activities he still found time for community projects. He was a member of the Montreal Board of Trade, the Canadian Chamber of Commerce, the Canadian Construction Association and the Montreal Reform Club. He was an ardent Liberal, and in this chamber represented Mille Isles, Quebec.

In the field of public service to his province he was President of the Committee on Forest Products of the Province of Quebec from 1931 to 1936, and represented the Province of Quebec at the Imperial Conference in Ottawa in 1932. He was summoned to the Senate of Canada in 1944.

To his widow and his five sons and three daughters he has left a memory of a devoted husband and father. To us in this chamber he has left memories which will be ever green, and to Canadians generally he has left an example of public service and achievement in the business world of the nation.

Hon. John T. Haig: Honourable senators, I had the pleasure of knowing the late Senator Daigle quite well. I can remember that with you, Mr. Speaker, he visited New York when we were delegates to the United Nations. He and his dear wife were guests of ourselves on that occasion. He was interested in all branches of the United Nations, and he apparently went there in order that he might fully understand the operations of that organization, what it stood for and what it was trying to do, and to listen to the debates on some of the important questions then before it.

His long service in this house gave me, as it did others, a chance to know him quite well. Our late colleague was very kind hearted and friendly—I think every one of us can say that he was a true friend of ours. I visited his home. I knew his wife and some of his family. On behalf of our party I wish to express the deep sympathy that we feel for his widow and family. May they find some consolation in thinking on the great contribution that he made to Canada.

Hon. L. M. Gouin: Honourable senators, I would like to say a few words in eulogy of the late Senator Armand Daigle, who was a very, very good friend of mine. He was born in the Richelieu Valley, in 1892. He was one of my contemporaries, and I knew him for the greater part of my life. He was very successful in business, and was a member

of the boards of directors of many companies. He was above all a man of good counsel. He had a clear and sound judgment. He was a most courteous gentleman and it was simply delightful to do business with him.

For at least four years he knew that he was seriously ill, that he had only a few years at most to live and that he might die at any moment, but he kept his smiling philosophy. He would say to me "Well, you know, I will just fade away." I will cherish his memory and I will for ever remain grateful for his friendship. Whenever I asked for his guidance he gave it to me in a very wise way.

The Liberal party owes a really great debt of gratitude to Armand Daigle. He was most devoted to our leader, and fully worthy of the trust which the Prime Minister always placed in him.

Armand Daigle was a good citizen, he was very charitable, always willing to help. He was sincere in his political convictions; he remained faithful to them not only when the wind was favourable but even under the most difficult circumstances.

For his sincerity, for his faithfulness, for all the work which he carried on so well, without any publicity, I wish to say "Thank you" to this very, very dear friend. He leaves a very fine family. He was a good husband and father, and a charming grandfather. To his widow, his children, and grandchildren I offer the expression of my heartfelt sympathy.

Hon. Jean-François Pouliot: Honourable senators, on behalf of the countless friends of the late Senator Daigle I wish to convey heartfelt sympathy to his widow and his children. I have known him, as you have, as a great gentleman and a great Canadian. He was essentially kindly; and in the hearts of his former colleagues of the Senate his memory will live forever.

(Translation):

Hon. Arthur Marcotte: Honourable senators, I knew Senator Daigle for a number of years. Although he was not a close friend of mine, he was a very good friend. On this occasion, it seems to me that he would be pleased to hear a tribute in the language he loved so dearly. I remember on a very special day at the Chateau Frontenac where I was among my Liberal friends—and I have many—one of them said to me: "It is your birthday today, Senator". It was indeed my birthday, which I always celebrate, and Madame Daigle, throwing her arms around me, wished me "Happy birthday."

I knew our friend very well and was aware of his political affiliations as well as of his business interests. I deem it my duty today to recall before my colleagues the examples of charity and of friendship he has left us. He was a great man who rendered great service to his fellow citizens.

To his wife and to the members of his family, I wish to offer the tribute of a friend who appreciated him. At my age, one feels deeply the loss of an old friend. I would like to pay sincere tribute to his memory and to voice the admiration which we had for his constant devotion to duty.

To Madame Daigle and the members of her family, I extend my sincere condolences.

(Text):

DIVORCE BILLS

THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill O-8, an Act for the relief of Waltraud Feronika Thorwart Servay.

Bill P-8, an Act for the relief of Elizabeth Krawchuk Yovdofchuk Ripchinsky.

Bill Q-8, an Act for the relief of Gweneth Vernice Blackman Waterman.

Bill R-8, an Act for the relief of Pauline Margaret Patricia Sylvester McLean.

Bill S-8, an Act for the relief of Mary Boldovitch Mogil, otherwise known as Mary Boldovitch Mogilesky.

Bill T-8, an Act for the relief of Doris Irwin Phillips.

Bill U-8, an Act for the relief of Kathleen O'Malley Romandini.

Bill V-8, an Act for the relief of Lillian Yochalas Ostroff.

Bill W-8, an Act for the relief of Gladys Catherine McCluskey MacFarlane.

Bill X-8, an Act for the relief of Mary Kathleen Pineault Miller.

Bill Y-8, an Act for the relief of Terez Lazar Jankovicz.

Bill Z-8, an Act for the relief of Winona Beryl Buzan Maynard.

Bill A-9, an Act for the relief of Rose Marie Hops Zinman.

Bill B-9, an Act for the relief of Doris Velma Gardner Briggs.

Bill C-9, an Act for the relief of Pinck Kempinski.

Bill D-9, an Act for the relief of Margaret Lukis Lambert.

Bill E-9, an Act for the relief of June Angela Duyvewaardt Corse-Scott.

Bill F-9, an Act for the relief of Frank Maun James.

Bill G-9, an Act for the relief of Doris Louise Richardson Turner.

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

CANADA COUNCIL BILL

THIRD READING

The Senate resumed from Wednesday, March 6, the adjourned debate on the motion of Hon. Mr. Macdonald for the third reading of Bill 47, an Act for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences.

Hon. Arthur W. Roebuck: Honourable senators,—

Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: I thank you for the very slight round of applause; but really I have risen this evening to congratulate myself, because, although I did not suppose that anybody in the house would offer me congratulations, I thought that some were due me. With the able assistance of the honourable senator from Blaine Lake (Hon. Mr. Horner) I have provided my fellow senators during this debate with something which my honourable friend from Northumberland-Miramichi (Hon. Mr. Burchill) has described as "the luxury of disagreement". So, while I cannot exactly take credit to myself for having triggered the debate, I believe that the honourable senator from Blaine Lake and I lent some zest to a most spirited and interesting discussion, maintained on the highest plane, and as of fine a quality as I have heard in this chamber for at least a long time.

A devil's advocate, even though mistakenly recognized as such, performs a useful service, for usually he supplies the inspiration for a large number of eloquent speeches; and this, I think, the senators from Blaine Lake and Toronto-Trinity have done on this occasion. Of course, the service works both ways. If honourable senators have found pleasure in an occasion for disagreement with us, I myself and, I am sure, my friend from Blaine Lake, have enjoyed the luxury of disagreement with them.

Hon. Mr. Horner: Certainly.

Hon. Mr. Macdonald: For him, that experience is not so unusual.

Hon. Mr. Roebuck: Well, it is not the first occasion for me, either. We have all had a good time; the game is pretty well finished,

and I think that now, on third reading, I should put myself right with my fellow senators, with this chamber, and with the record.

So let me start out at once by assuring my colleagues that I am not opposed to the humanities, the arts, the sciences or anything else that is good and intellectual and spiritual in the mental life of our nation. Neither am I opposed to scholarships for those who are engaged in either the study or the practice of intellectual matters. Not only am I not opposed, but I am strongly in favour of encouraging both the study and the practice of these things in every reasonable way.

I very much sympathize with students, for having been one myself some years ago I know of the struggle that many of them have. I am particularly sympathetic toward those who for financial reasons are unable to pursue the paths of higher learning. I know what it means to be restricted in that way. It took me seventeen years from the time I entered Osgoode Hall as a law student until I was called to the bar of the province of Ontario. The reasons were, I think, entirely financial; and it was not until I had been a journalist, a writer, for some fifteen years that I finally found myself in a position where I could sell a newspaper and in that way continue my formal education. It took me the same length of time after my graduation from law school until I found myself the Attorney General of Ontario. Of course I did a good many things in the interval. Because of that experience I know what it means to struggle financially while trying to acquire a higher education.

When I spoke on the second reading of this bill I said that there had been great works of art and literature produced in poverty. I also said, however, that I was no advocate of poverty; far from it. But, honourable senators, there are worse things than lack of money to a healthy youth starting out on the pathway of a career. If I had to choose between being hard up, on the one hand, and grovelling for Government favour, on the other hand, I would choose to be hard up.

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Roebuck: According to the Leader of the Government (Hon. Mr. Macdonald), the interest on \$50 million of public money is to be used for the granting of awards, scholarships and loans in the field of the arts, humanities and social sciences. It will be observed, therefore, that scholarships are only one of the items, the others being awards and loans. So far no indication has been given to this house as to how the scholarships are to be distributed—whether

through the regular and well-established and well-tried machinery of the schools or as a favour from the Canada Council.

And what about the loans? How are they going to be distributed? It is perfectly clear there will not be sufficient money for the making of loans to all who may apply. Who is to get them and who is not to get them? Who is to decide this question? Will it be determined by private individuals?

It has been said that we are to bring students here from foreign lands, and that we are to send students abroad so that they may study in other countries and be emissaries of good will. That is a fine thing. Students are to come here and go from here at Government expense. I ask my fellow senators in all good reason: is it unreasonable that we who are responsible for the expenditure and the guardianship of public funds should want to know how these beneficiaries are to be chosen? The honourable senator from Ottawa West (Hon. Mr. Connolly) expressed the opinion that politics would not enter into the selection. I rather agree with him. I do not suppose the Canada Council would care very much about politics. I do not think politics will be one of the factors in the making of selections, but how about the influence of cliques, circles and classes, which results in favouritism? I am not afraid of politics, but I do fear there will be a favouritism that is quite a good deal worse than politics. I do not see how the Canada Council is going to avoid this. It has not been avoided in the past under somewhat similar circumstances, and it is not likely to be avoided in the future.

The honourable Leader of the Government (Hon. Mr. Macdonald) told us that the Canada Council is not to be an agent of the Crown in the distribution of public money. It is to be an autonomous body, acting on its own behalf and by its own right. Therefore I suppose it is going to treat this very large sum of money as its own. Yet honourable senators complained when I referred to the body as irresponsible. Will it not be irresponsible? Its members are to be kings and queens of culture, for they are to be endowed with the privilege of spending the taxpayers' money, which is the chief prerogative of Parliament. Further, it would seem from what I hear and read that these kings and queens of culture are to function in relation to the United Nations Educational, Scientific and Cultural Organization. In this connection I would quote the following statement from the excellent address by the honourable Leader of the Government:

By clause 8 (2), the council will have certain duties and functions with relation to the United

Nations Educational, Scientific and Cultural Organization, the exact nature of which will be determined later.

So you have the delightful prospect of these crowned heads of culture setting up another Canadian Government at New York, performing functions yet undetermined but which involve the expenditure of public money.

I was taken to task in a most delightful manner by the charming and brilliant lady from Fredericton (Hon. Mrs. Fergusson) because of the attitude of doubt and suspicion which, she said, I adopted. Well, I do not know about the suspicion, but I plead guilty to the doubt; I have expressed doubt before, and I express it again now. She said that she viewed the prospective operations of the council with a sympathetic understanding. Since she is a member of the governing board of Mount Allison University, at Sackville, and is hoping for money from the council for the university's Summer School of Art, she had better be sympathetic. The honourable senator is a very fine lady, and she made a very fine speech. I thoroughly and heartily agreed with many of her statements, as, for instance, the little argument she gave me about masterpieces being produced in poverty—produced, as she said, in spite of rather than because of poverty. If I have said anything that would lead anybody to suppose that I am an advocate of poverty, I wish to correct that impression right now. May I also add that if great works of art, such as painting and literature, have been produced in an atmosphere of unearned wealth and luxury, it was not because of unearned wealth but in spite of it. Personally, I like the norm, the mean between poverty, on the one hand, and unearned wealth on the other, where works of art are of commercial value, cherished by the generation in which they are produced, and in that way are a normal function of the human race.

But, honourable senators, it was the member from Inkerman (Hon. Mr. Hugessen) who slapped me down most severely. He said that he would not have spoken at all had it not been for the challenge from the senators from Blaine Lake and Toronto-Trinity. My compliments to the senator from Blaine Lake! The senator from Inkerman told us that he is a governor of McGill University, Montreal, that he anticipates being faced with immense capital expenditures in the not far distant future, and that he is looking for grants and scholarships. In his capacity as a governor of McGill, he has every reason to be hungry for money.

Hon. Mr. Reid: They are all looking for a handout.

Hon. Mr. Roebuck: He need not be so utterly ravenous for money, however, as to overlook and disregard completely the means whereby he hopes to achieve that end. He frankly admits that he is going to jump on the bandwagon. That is all right in one meaning of the phrase, but I do not approve of it in the other meaning.

Honourable senators, the expenditure of public money is the main function of government, and has been all down through the ages. In the British parliamentary system the control of the purse strings has been the toe-hold of Parliament in its battle against arbitrary rule by the monarchy. The most important function which our Parliament performs is the expenditure, control and raising of money. The senator from Inkerman is a great parliamentarian; I say that seriously, and I mean it; yet he willingly consents, apparently, to the transfer of this vital function to private individuals, on the off chance that his university will get some of the money. Now, if the principle of passing out public money to private individuals for distribution is so good, why not let us extend the idea? Why not handle our expenditures on social security in the same way that we now propose to handle our expenditures on education, that is, pass the money out to some private individuals, call them a council, and let them spend it? And why not abolish vile politics from our military expenditures by simply handing a few millions of dollars to an autonomous board, in that way avoiding all the fuss and difficulties of debate in the House of Commons and here? The principle would be just the same. Or why not carry it to a logical conclusion and pass all our parliamentary affairs over to appointed boards, and get rid of politicians altogether in this country? Perhaps we could carry it one step further, as has been done in some other lands, by delegating our authority and our powers to spend public money to a dictator. I think this business of giving the taxpayers' money to the Canada Council to distribute according to its own sweet will is neither good parliamentary custom nor according to British methods. Nor is it Liberalism as I was taught and understand it.

Honourable senators, I am proud of the distinguished part led in higher education by so many of my fellow members of the Senate. For instance, the senior senator from Winnipeg (Hon. Mr. Haig) is Chairman of the Board of Regents of the United College, which is affiliated with the University of Manitoba; the junior senator from Winnipeg (Hon. Mr. Wall) is on the advisory board of a college there; my colleague from Banff (Hon. Mr. Cameron) is Director of the Banff School of Fine Arts; the member from Fredericton (Hon. Mrs. Fergusson) is on the

Board of Governors of Mount Allison University; the senator from Inkerman (Hon. Mr. Hugessen) is on the Board of Governors of McGill University; the senator from Northumberland-Miramichi (Hon. Mr. Burchill) is a member of the Senate of the University of New Brunswick, and a governor of King's College in Halifax. I am proud of that record of public service without the walls of this chamber. I am sure there are others here who play an important part in higher education, although off-hand I cannot name them. I myself am a Bencher of the Law Society of Upper Canada, which operates a very fine and costly law school at Toronto. I suppose nobody would have the hardihood to accuse me of serving my own purpose in this speech.

The senator from Northumberland-Miramichi, with whom I have so often had the pleasure of agreement, took me to task for suggesting that irresponsible men may be appointed to the Canada Council. I voiced no disparagement of persons yet to be appointed, and whose very names are so far not known. I am quite sure that the appointees will be very worthy persons indeed. But obviously I was not referring to the character of the individuals when I talked about irresponsible persons; my reference rather was to the irresponsible position in which they are to be placed. I consulted the dictionary, and I find the word "irresponsible" to mean "not answerable". Does anyone suggest that the members of the Canada Council will be answerable to the people whose money they will spend? They will not be answerable, and in that sense they will be irresponsible.

Honourable senators, our Constitution carefully guards the right of the elected representatives of the people in their control of the taxpayers' money. None of us in this house can initiate the expenditure of one single dollar of public money, because we are in that regard irresponsible to the people who furnish the money. In other words, we are not answerable to the electors, as are the members of the House of Commons and the Government of our country. Yet it is proposed to hand \$100 million of public money over to an autonomous board composed of private individuals who are not members of Parliament, and not even civil servants.

I know honourable senators were rather horrified that a parliamentarian of some little experience was so impolite as to disagree with a popular issue and fail to jump on the band wagon. As a matter of fact, I am rather shocked at my own temerity in this matter, particularly when I contemplate that eminent and distinguished senators, who are

governors of universities, are standing around with their hands out like *Oliver Twist* asking for more.

Some Hon. Senators: Oh, oh.

Hon. Mr. Roebuck: Let me recapitulate my statement, and in all seriousness. I am not opposed to scholarships; I am in favour of them. I am not opposed to Government grants for higher education, but I think they should be made by the provinces and not by the dominion. I am unalterably opposed to the transfer of the control over the expenditure of public money from the responsible representatives of the taxpayer to an irresponsible body of appointees, such as the proposed Canada Council, or any other such body for any other equally good purpose. I am opposed to that, honourable senators, on the basis of sound parliamentary principles which we have no right to violate. In due season, I think, results will justify the doubt that I have expressed in the course of this debate.

Hon. Salter A. Hayden: Honourable senators, I did not participate in this debate earlier. My justification for taking part in it now is that my friend the senator from Toronto-Trinity (Hon. Mr. Roebuck) has provoked me into saying something. Yesterday, when I heard he intended to speak this evening, I told him this might happen.

In order that there may be no doubt about my qualifications—since apparently if one is a member of the staff of or a governor of a university he is disqualified from speaking without prejudice—I hasten to assure the Senate that I am not identified in any way with any institution of learning, except by way of having been a student a good many years ago at some institutions of learning from which, in the course of time, I graduated.

I also hasten to correct an impression that one might gather from what my honourable friend has said. If any one concluded that it took my honourable friend 17 years to get through law school, I would say that is untrue. Knowing my friend's intelligence and capacity as I do, I am sure he meant to say that the lapse of time between when he entered law school and the time when he concluded his course was 17 years.

Hon. Mr. Roebuck: That is right.

Hon. Mr. Hayden: Had a body such as the Canada Council been in existence at that time my friend might have completed his course in a much shorter time. But had he graduated earlier he might not have done a lot of other things that he did in the meantime. Moreover, he might have been prevented from following the course which ultimately led him to become Attorney General for the province

of Ontario, in which office he had put into his hands a certain measure of the taxpayers' money in that province, and he directed the spending. True, he was responsible to the people, but there were organizations and groups in Ontario which spent money provided by the people of that province and were not in a direct sense responsible to the people. Nevertheless, the whole operation seemed to function very well.

With respect to my friend's remark about the Canada Council being composed of irresponsible persons, I find in the bill the same provisions that I find in similar bills covering, for instance, the Canadian Broadcasting Corporation and a number of other institutions which operate as Crown companies on behalf of the Government and receive contributions out of the Consolidated Revenue Fund. This council will not be an irresponsible body. It will be required, just as are these other Crown organizations, to report to Parliament, to give an accounting, and to be subject to audit at each and every session. I refer honourable senators to sections 22 and 23 of the bill.

I was quite amused by some of the things my friend from Toronto-Trinity said this evening. I have seen my friend in many capacities, almost too numerous to mention, and he always performs in an excellent way, no matter what cape he puts on for the occasion. I would remind him that he and I have exchanged words very often, yet we remain the best of friends. I do not know what right he has to say that in this debate he is indulging himself in the luxury of disagreement. I would say that his treatment of this measure is the regular bill of fare. My friend usually disagrees, and most of the time he has proper reasons for doing so. Usually his disagreement adds to the tone and consideration of the matter before us. In fairness I think I can say that his attitude has been one of disagreement to many of the matters which have come before this house. In that regard his disagreement has been no more disinterested than the support which some honourable senators have given to this bill, and of which he seems a bit critical tonight. I would strongly suspect that on numerous occasions in the past when my honourable friend has either supported or disagreed with some particular proposal, deep down inside he had a great personal interest—and I use that word in its proper sense—in one side or the other of the issue. I do not think it can be suggested with respect to any of the senators who spoke in favour of the Canada Council bill, and who were identified with a university, that their personal interest in and support of the bill was any stronger than was the position taken by my honourable friend on numerous

occasions in the past when he manifested agreement or disagreement with a particular measure. I do not think the attitude on the part of these honourable senators either adds to or takes from the consideration of the question in the debate. To search in a facetious way for some explanation as to why some honourable senators would want to support this bill, or to suggest, even facetiously, that they might be gaining something by speaking in favour of the bill, and be standing in line with their hands out for a donation, does not add to the discussion of the subject. As humour, perhaps there is some justification for it, but as argument I do not think it has any value at all.

My honourable friend from Toronto-Trinity said that he had great doubts about the future of this council. To me, that is an unusual position for my friend to take. It is the first time I have known him to have any doubts of any kind. Indeed, I have always found him to be a person who felt justified in his view, and I have liked and appreciated his clear-cut and definite attitude towards matters generally. I venture to say that if he has any doubts about this subject, he is very positive in his doubts.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hayden: So far as this bill is concerned, I find it difficult to appreciate any objections on the basis of the argument we have heard. True, the Government is contributing money to this council, because it provides machinery for more efficient administration of the money granted for scholarships to encourage study and research. Why we should be critical because the members of the council will not be civil servants, I do not know. I trust and expect that the Government will appoint capable men, who have had experience in public life or in business and professional life, and who will be able to appreciate what the needs are and know how to get the greatest value for the money they spend. And remember, their report must come before Parliament each year. In any event, there will be at least as many critical people watching the expenditures of this Canada Council as are expecting to qualify for or to receive grants from it. This will be a well-watched operation, so well watched that I am satisfied it will be carefully and properly conducted. I think it is a step in the right direction; I think it collects in one place an efficient administration of the expenditure of public moneys for a purpose that is in the best interest of Canada.

Some Hon. Senators: Hear, hear.

Hon. John J. Connolly: Honourable senators, could I add just a few words, not by way of being critical of opinions expressed

by the member from Toronto-Trinity (Hon. Mr. Roebuck) but rather perhaps to follow what the honourable gentleman from Toronto (Hon. Mr. Hayden) has just said.

It does seem to me that to be as critical of the proposed establishment of the Canada Council as the honourable gentleman from Toronto-Trinity has been is perhaps unwarranted in one respect at least, and that is that the National Research Council, which has been functioning now for some 25 or more years, and operating generally in the same field, is performing and has performed in a most creditable way for that time in the field of science what is now proposed in the field of arts, the humanities and the social sciences.

Since the bill received second reading I have had occasion to make inquiry as to just what might be expected of the council in a practical way, and I find that the two agencies which are not really subsidiary to the National Conference of Canadian Universities but work in association with the organization of that body have been doing work which will, I think, ultimately be done on a larger scale by the Canada Council. Those agencies are the Canadian Social Science Research Council and the Humanities Research Council of Canada.

The Canadian Social Science Research Council has been in existence for some 15 or 16 years. Between 1940 and 1956 it received approximately \$600,000 for its purposes, and I think honourable senators will be interested in the source of these funds: from the Rockefeller Foundation there came some \$482,000; from the Carnegie Foundation, some \$61,000; from private Canadian sources, individuals, corporations and the like, some \$31,000; and the Canadian universities themselves contributed in that 16-year period approximately \$24,000, mainly for the purpose of assisting the council in its administrative work, holding meetings and so on.

With that money that council has established or contributed to pre-doctoral and post-doctoral fellowships for Canadian students; it has given grants in aid of research; it has arranged for leave for professors from their duties at universities to do advanced studies, and it has helped in the publication of technical and scientific works in the arts, humanities and social sciences. I am impressed by my informant by this fact, that only about one-third of the people who require this kind of assistance get it from the council, and then only in a limited measure.

The Humanities Research Council of Canada has not been in existence so long. I understand it has recently issued its fifth annual report, and that from 1953 to 1956 it has spent about \$161,000. Where did it

get it? From almost the same sources: the Rockefeller Foundation, over \$80,000; the Carnegie Foundation, \$48,000; private Canadian sources, some \$19,000; and the universities, for administrative expenses and so on, some \$30,000. The purposes to which this money was devoted were the same as those to which the money was devoted by the Social Science Research Council.

Realizing that such a vast proportion of this money has come from private foundations outside our country, especially from the United States—and we shall be eternally grateful to these foundations for their generosity and understanding help—and realizing also, as I am informed is the case, that the source of this money is now drying up to the point where these foundations will not continue their support, I think it is clear that something must be done.

It is only fair to say that this is not a local problem. This is a national problem. It is just as important for our people to have good students of the humanities and of the arts and of the social sciences, in which are included economics and the political sciences, as it is for us to have engineers. In one of the most recent years in the operation of the National Research Council some \$2.5 million was provided for assistance to students in the field of science.

This is not a new problem: it has faced this country and the people of this country from the beginning. Honourable senators may not be astonished to hear that recently, because of the season of the year and a celebration associated with it, I have been looking at some of the speeches of Thomas D'Arcy McGee. In November, 1867, almost on the eve of the assembly of the first Parliament of Canada, he made a speech before the Montreal Literary Club entitled "The Mental Outfit of the New Dominion". I was startled to read these sentences:

Most of our industrial and classical colleges . . . owe their origin to some such acts of private beneficence; but the number of scholarships founded by wealthy individuals, who have made large fortunes in this country, might, I fear, be reckoned on the fingers of one hand. It were perhaps to be wished that the whole subject of superior education had remained in some sort subject to Federal care and superintendence, under a Federal Minister of Education, capable and devoted to the task. But the honourable rivalries of local administrations may be trusted as preventative against stagnation and exclusiveness.

May I quote another short passage from one of McGee's speeches which, in fact, was reproduced in a speech made in 1925 by Sir Edward Beatty, then President of the Canadian Pacific Railway Company. McGee was speaking in 1862 to the Irish Protestant Society in Quebec, and I think that what he said then is in the minds of people who are in favour of the encouragement which through

this measure will be given to the humanities, the arts and the sciences. He said on that occasion that it was the business of the country and of the people of the country to welcome every talent, to hail every institution, to cherish every gem or art, to foster every gleam of authorship, to honour every acquirement and every natural gift, to lift ourselves to the level of our destinies.

I think that, in view of the difficulty of providing the kind of encouragement needed by people who wish to devote their lives to the arts, the humanities and the social sciences, a measure of this kind becomes a national necessity.

Hon. Senators: Hear, hear.

The Hon. the Speaker: Honourable senators, the motion is for the third reading of Bill 47, an Act for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences. Is it your pleasure to pass the motion?

Hon. Mr. Horner: On division.

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

CURRENCY, MINT AND EXCHANGE FUND BILL

SECOND READING

The Senate resumed from Thursday, March 7, the adjourned debate on the motion of Honourable Mr. Bradette for the second reading of Bill H, an Act to amend the Currency, Mint and Exchange Fund Act.

Hon. Mr. Macdonald: Honourable senators, I adjourned the debate on this bill in order to ascertain whether it would be advisable to send the bill to committee. I have looked into this question, and personally I would like to have the bill referred to committee, because I believe the date set forth in the bill for it to be brought into effect is not the correct date.

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

REFERRED TO COMMITTEE

On motion of Honourable Mr. Bradette, the bill was referred to the Standing Committee on Banking and Commerce.

GOVERNMENT PROPERTY TRAFFIC BILL

SECOND READING

Hon. John J. Connolly moved the second reading of Bill Y-7, an Act to amend the Government Property Traffic Act.

He said: Honourable senators, this is not a lengthy bill. The Government Property Traffic Act, chapter 324 of the Revised Statutes of Canada, deals with the control of

traffic on lands belonging to or occupied by the Crown in the right of Canada, and it empowers the Governor in Council to make regulations with respect to the speed, the parking, direction of traffic, obstructions to traffic, and the prohibition of unnecessary noise. It makes provision for the prescribing of fines and of penalties and for the classification of vehicles. It contains other provisions. For example, the question of what constitutes ownership of the Crown in Crown property may be determined by a certificate of the Deputy Minister of Public Works. At the present time the regulations with reference to traffic on Government property exclude five different classes of property, namely, the national parks, the territorial lands as defined in the Territorial Lands Act, Indian reserves, property under the control of the Federal District Commission, and property to which the airport vehicle control regulations apply.

I wondered what property was left to be governed by the regulations under this bill, but I am informed that they will relate, for example, to roads in military camps, such as Petawawa, Barriefield and Gagetown, generally army camps throughout the country, parking in Government properties in Ottawa, and properties of that kind.

At present the regulations governing the licensing and operation of vehicles operating in these Government-owned areas are determined by the provisions of the provincial law where the properties are located. However, the penalty sections of the regulations are much more restrictive than the comparable penal sections in the corresponding provincial laws. The purpose of this amendment is to bring the regulations into line with the provincial penalty sections. For example, under the existing regulations the maximum fine which can be imposed is \$50, and the maximum jail sentence which can be imposed is two months. It is proposed that the maximum fine be \$500 and that the maximum jail sentence be six months. It is also provided that under the regulations the magistrate be empowered to suspend a licence for a year in an appropriate case. Provision is also made for the voluntary payment of fines. In the case of fines or imprisonment the regulations would provide that the penalty be the maximum which prevails under provincial law or the maximum which would be allowed to be applied under this law, whichever is the lesser. The same is true in respect to the period of suspension of the licence. The provincial law being the same, then the maximum suspension would be that provided for in this section; but if the provincial law has a larger maximum period of suspension, then under this regulation the maximum

suspension which could be provided would be for a period of one year.

The bill is not a difficult one and seems to be in accord with the type of legislation that is being passed in the provinces with respect to the control of traffic and the imposition of fines and of penalties for traffic violations. It may be that some honourable senators would like to have the bill go to committee, where further information could be obtained from appropriate officials. If that desire is expressed, I would be glad to move that the bill be referred to committee.

Hon. Thomas Reid: I for one would like to see this bill go to committee. There seems to be a tendency today in certain municipalities throughout Canada that when a motorist is alleged to have violated a traffic regulation a police officer will come along and give him a ticket. The officer may tell him that if he wants to be a good fellow he can go down to police headquarters and pay an automatic fine. Then he will not have to go into court. This fine may be \$25. On the other hand, if the motorist feels he has not violated any traffic regulation and decides to fight the case in court, he is liable, if found guilty, to be fined \$50 for the same offence.

Up to now there has been no provision for voluntary payment of fines for breaches of any traffic regulations on Government property. Now we are making this provision, and at the same time we are providing for a fine of \$500 or a term of imprisonment not exceeding six months. There is no provision, however, as to whether it is to be a fine or an imprisonment, and apparently it is left to the police officer to decide whether the motorist can make a voluntary payment of a fine.

I would like to see this bill go to committee where I could ask questions regarding this matter, for it seems to me that we are embodying an entirely new principle in federal legislation.

Hon. Jean-François Pouliot: Honourable senators, I am sorry to say it but this bill seems foggy to me. The honourable senator from Ottawa West (Hon. Mr. Connolly) has given an interesting explanation, but it would seem from what he has said that this is a kind of conflicting legislation. It conflicts with other statutes. He has not said why the maximum penalty has been increased tenfold, from \$50 to \$500.

The amendment provides for something much more drastic than the legislation now in force. If this bill provides for control of all Government property, I wonder what it has to do with the Federal District Commission whose grounds surround the Parliament Buildings. My honourable colleague from Ottawa West knows what was contended

by the representatives of the Federal District Commission when they appeared before a committee of the Senate. They were adamant and they were stupid. They wanted the personnel of the Senate to park their cars under the Plaza Bridge, when there was good space near the Parliament Buildings. Finally the views of the committee prevailed and the Federal District people had to acknowledge that it was only pure common sense to allow the Senate employees to park their cars near the Parliamentary Library, north of the Parliament Buildings.

Honourable senators, I am not making a speech; this is just a preamble to some questions I wished to ask the honourable gentleman from Ottawa West, in view of the generous offer he has made to us. In the first place, what is the reason behind the tenfold increase in the penalty section of this bill? I did not have time to read Chapter 324 of the Revised Statutes of Canada but my second question is this. Does Bill Y-7 apply to the grounds under the control of the Federal District Commission?

Those are my first questions, and if the honourable gentleman who explained this bill will be kind enough to answer them I will have more questions to put to him.

Hon. Mr. Aseltine: May I ask the sponsor of this bill if this provision applies to driving and parking on Parliament Hill? Does he mean to say that if I drive my car up here and park it in the wrong place I may be fined \$500, or sent to jail; or be obliged to go somewhere else and told to pay \$300 or \$400? I think that is ridiculous.

Hon. Mr. Pouliot: Honourable senators, I want to be honest with you. I find this is a kind of legislation that does not satisfy the mind, that one who reads this bill will not know what it means; it is not self-explanatory. What are the present regulations which have been adopted in virtue of Chapter 324, of the Revised Statutes? It seems only fair to ask the honourable gentleman to give us an idea of the regulations which prescribe penalties that are being so greatly increased. It is an enormous increase in the fine, from \$50 to \$500. And that is not all; the amendment is still more drastic; it authorizes the Governor in Council to make regulations

providing for the voluntary payment of fines and for prohibiting persons who have violated any regulation from driving a vehicle on such lands for any period not exceeding one year.

It is the first time I have read such a provision in a statute. There is serious doubt in my mind, and I am sure in the minds of other senators, about this legislation; it is new and different from all traffic legislation in the past, and therefore I hope

that the honourable gentleman will be kind enough to read to us the regulations which have been passed in virtue of this legislation under Chapter 324.

I was rather surprised the other day when the Narcotics bill was sent to the Banking and Commerce Committee. We have a Public Health and Welfare Committee, with doctors among its members, yet that bill was sent to the Banking and Commerce Committee. In my view, all the committees could be very useful to the Senate, and that is the reason for their being appointed. If, therefore, the present bill is sent to a committee, I hope it will be to the Committee on Transport and Communication and not to the Committee on Banking and Commerce—nor to the Divorce Committee! And I hope that all suggestions will be considered.

Hon. John T. Haig: Honourable senators, I ask the honourable gentleman who introduced the bill if he will consent to have the bill sent to committee, where we can discuss it, for I am afraid there is going to be some opposition to the measure. The honourable member from Rosetown (Hon. Mr. Aseltine) fears that if he drives his car into the grounds of the Parliament Buildings and parks it in a wrong place some official can come along and fine him \$500. If that is so, I for one am not going to vote for the bill. I have been on the Committee of Public Buildings and Grounds continuously, and we have had an awful lot of trouble in regard to parking space. I think the very least we can do is to make sure that senators and members of the other house have first claim to parking on the grounds, and we should not make ourselves ridiculous by providing that a man can be fined \$500 for parking in a wrong place. It may be said that such a person would not be fined, but it is quite possible that a magistrate would fine him. I have been practising law for 53 years, and I have known certain magistrates before whom I would hate to appear on a question of this kind, for they would be quite likely to impose a fine. In Manitoba we had a judge of that kind in our courts. Any person who appeared before him charged with a driving offence would be beaten before he started. We lawyers would say to such a client, "I am very sorry, but you will have to agree to the expense of going to the Court of Appeal before you start; if not, we will not take your case." In such cases we always had to go to the Court of Appeal, and we were always in the wrong—they always threw us out.

Honourable senators, I suggest that this bill go to committee and that officials be brought to satisfy the honourable member from De la Durantaye (Hon. Mr. Pouliot)

and the rest of us, on this matter, for personally I am greatly opposed to this kind of thing in an official way. It should not be possible that one who drives his car into the Parliament Buildings grounds might leave himself open to a fine of \$500, and I am certainly not going to allow that to happen if I can prevent it.

Hon. Mr. Pouliot: This is not an invitation to visit the national parks.

Hon. John J. Connolly: Honourable senators,—

The Hon. the Speaker: May I remind the house that if the honourable senator speaks now he will close the debate?

Hon. Mr. Connolly: I thank honourable senators for the contribution they have made. I do not propose to try to answer all the questions that have been asked, but perhaps I might tell the honourable gentleman from De la Durantaye (Hon. Mr. Pouliot), in the first place, who asked me to read the regulations, that they are very lengthy. They are to be found in P.C. 4076, dated September 17, 1952, and will be available at the committee, if the bill is referred to a committee.

With reference to the question of a \$500 fine, let me say that in Ontario at the present time any person racing a vehicle on a highway is liable on the first offence to a penalty of not less than \$25 and not more than \$100, and for any subsequent offence to a penalty of not less than \$100 and not more than \$500, and also to imprisonment for a term not exceeding six months. In Quebec a person convicted of racing a motor vehicle on a highway is liable on the first offence to a penalty of not less than \$100 and not more than \$200, and for any subsequent offence, not less than \$300 and not more than \$500, and also to imprisonment for a term of not less than a month and nor more than three months. These are the several types of offences to which the maximum penalty might apply, depending on what the provincial law in the circumstances might be.

I give those to honourable senators as examples only, because I think the full explanation might better be given in committee.

There is one other point I should mention. A question has been raised about Federal District Commission driveways in Ottawa, and whether these regulations apply to them. I am informed they do not. Actually, the regulations specifically exempt those properties. But I am also informed that the Federal District Commission have their own regulations with reference to traffic on their property. Parliament Hill is another question. But I think after this matter has been considered in committee it will be abundantly

clear to us all that we do not run a risk of a fine of \$500 for parking in the wrong place on Parliament Hill.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), the bill was referred to the Standing Committee on Transport and Communications.

EXPORT CREDITS INSURANCE BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill 46, an Act to amend the Export Credits Insurance Act.

He said: Honourable senators, this bill proposes certain amendments to the Export Credits Insurance Act, which was passed by Parliament at the 1944-45 session.

This act was designed for the purpose of enabling the Canadian exporter of goods to a foreign country to insure himself against the possibility of loss through non-payment of the selling price by the foreign buyer. At the conclusion of the Second World War there were many risks in the export of goods from Canada, and for an adequate premium this corporation would provide the necessary coverage. It will be observed that the scope of authority of the corporation was only as to goods which had been sold.

The bill now before us deals with four matters. First, it extends the scope of the insurance coverage, as set out in paragraph 3 of the bill. An exporter who ships goods abroad for exhibition purposes and then decides to sell them in a foreign country rather than return them to Canada can be covered by insurance. In other words, if the exporter does not receive his selling price, the corporation will reimburse him to that extent.

Secondly, it is designed to cover goods shipped abroad on consignment and subsequently sold in a foreign country.

The third situation which this bill is designed to cover is where a manufacturing company in Canada ships Canadian goods to its wholly owned subsidiary abroad, which in turn sells the goods. Such goods are now brought within the provisions of the act. For the purposes of the Export Credit Insurance Corporation such a transaction is regarded as a direct transaction between a Canadian exporter and a foreign purchaser.

A fourth matter which the amendments would cover is services. As honourable senators know, Canadian firms which supply engineering, construction, technical and similar services sometimes spend a good deal of time and money in the preparation of

plans and engineering data for construction enterprises being carried on in foreign countries. This bill is designed to permit such people to insure their services in the form of engineering material, plans, et cetera, to the extent of the contract for payment of those services in the foreign country.

Honourable senators, those are the extensions of the scope of the insurance authority of the corporation by these proposed amendments.

There is another feature to the bill. When the corporation was set up the practice had been to provide annual reserves out of surplus of revenue over expenditures against the liability that might follow in subsequent years. At the 1952-53 session Parliament amended the act, and gave statutory sanction to the setting up of such reserve to the limit of \$5 million. Significantly, the statute provided that the surplus of revenue over expenses and losses was to be added to this reserve each year until it reached \$5 million. However, in that year some amendments were made to the Financial Administration Act of 1952, one of which was to list Crown companies in different categories. We put what are called proprietary Crown companies in Schedule D to that act. And in an amendment to the Income Tax Act we provided that Crown companies in Schedule D of the Financial Administration Act were subject to income tax in the same way as any other corporation.

As you can see, Parliament had intended that this corporation should set up a reserve of a certain amount out of surplus over revenue and expenditures; yet the rather unfortunate language of the Income Tax Act prevented that kind of reserve being set up. The corporation, in respect of its earnings, became subject to income tax before it could set aside anything by way of reserve. Of course the cost of administration and insurance would be substantially increased if that condition existed for very long.

Secondly, this kind of insurance is a service which is being given to exporters from various other countries. Surely Canadian exporters are entitled to the same kind of service at as reasonable a cost as possible. For that reason it is felt that a clarification of the act is now needed.

The amendment in section 2, on page 2 of the bill, is for the purpose of saying that moneys which are put into the reserve fund should not be subject to tax until such time as the fund has reached \$5 million. When that amount has been reached the corporation carries on in the same way as any other corporation.

Before sitting down, honourable senators, I should perhaps tell you how well this

corporation has been doing. It wrote its first policy in September 1945. During its 11 years of operation, up to September 30, 1956, it has insured export sales totalling \$350 million, for which it charged a premium of \$3.2 million. That is an average premium cost of less than 1 per cent. The gross claims paid to policy holders total \$7.7 million; recoveries up to this time amount to \$4.3 million; there have been write-offs of only \$176,000. At the present time there are outstanding claims totalling \$3.3 million, of which we hope to make substantial recoveries. That situation exists mainly because certain funds have from time to time become blocked in various countries; the exporter is paid, and the corporation, which is in a better position to wait, has to wait until the funds become free.

Honourable senators, this would seem to me to be the type of bill which, when it receives second reading, should be referred to a committee.

Hon. Mr. Haig: May I ask my honourable friend a question? Have there been any serious losses suffered under this act already?

Hon. Mr. Hayden: The only loss is the write-offs of \$176,000. There are unpaid balances of \$3.3 million which the corporation still expects to collect.

Hon. Mr. Haig: I understand that one country has refused to pay?

Hon. Mr. Hayden: I am not so informed.

Hon. Mr. Haig: I understand one country has refused to pay, and it is for that reason this legislation is brought before us.

Hon. Mr. Hayden: I may say to my friend that there can be no relationship between the suggestion that one country has refused to pay, and the proposed amendments. The purpose of this bill has to do with the financial condition of the corporation. The bill relates mainly to extending the insuring authority of the corporation to cover additional transactions beyond the actual sales of goods. My honourable friend's statement may be true, but I say to him I am not so informed. I have no information as to whether there is a loss or not. All I do know is that the only write-offs that have been made to date amount to \$176,000.

Hon. Mr. Haig: I understand that Turkey has not made any payments on its contracts, and that the loss in that case is estimated at \$4 million.

However, what I object to in this bill is the relief that this Government corporation is going to receive in connection with income tax. All private corporations have to pay

corporation income tax, while this corporation is to be shown special consideration. Why should this Government corporation not pay income tax on the same basis as private companies?

Hon. Mr. Pouliot: Honourable senators, this bill deals with a matter of trade and also of finance. I am wondering to which committee it will be sent. Will it be the Standing Committee on Canadian Trade Relations or the Standing Committee on Finance? Would the honourable gentleman inform us as to that?

Hon. Mr. Hayden: Honourable senators, as far as I am concerned it is not within my authority to move that this bill be sent to any particular committee. It is a Government bill, and it is up to the Leader of the Government in the Senate (Hon. Mr. Macdonald) to state to which committee he proposes to send the bill.

Hon. Mr. Pouliot: Then I direct the question to the honourable leader.

Hon. Mr. Macdonald: Honourable senators, I have not given a great deal of consideration to the question, but I would think this is an appropriate bill to go to the Committee on Banking and Commerce.

Hon. Mr. Pouliot: That seems to be the omnibus committee; everything apparently goes to that committee. One might imagine that there is a pipe line through which all bills are directed to the Banking and Commerce committee.

Hon. Mr. Macdonald: Not all bills are referred to that committee. One bill tonight was referred to the Standing Committee on Transport and Communications. It is up to the house to decide, but I would suggest that the Banking and Commerce Committee would be the appropriate one for this bill.

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

REFERRED TO COMMITTEE

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

NARCOTIC CONTROL BILL

COMMITTEE AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the Standing Committee on Transport and Communications to Bill D, an Act to provide for the control of narcotic drugs.

Hon. Salter A. Hayden moved that the amendment be concurred in.

He said: Honourable senators, may I tell you that the amendment was simply to provide that the act, when passed by Parliament, will come into force on Royal Proclamation. In the form in which the bill was before us, with no date stated, it would have come into force on Royal Assent, but the department requested this provision so that it would have time to prepare the regulations and also to acquaint the people throughout the country who operate under the provisions of the act what the changes will be.

The motion was agreed to, and the amendment was concurred in.

THIRD READING

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

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

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 13, 1957

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

Prayers.

Routine proceedings.

CURRENCY, MINT AND EXCHANGE FUND BILL

COMMITTEE AMENDMENT CONCURRED IN

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill H.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (H) intituled: "An Act to amend the Currency, Mint and Exchange Fund Act", have in obedience to the order of reference of March 12, 1957, examined the said Bill and now report the same with the following amendment:
Line 10: strike out "1957" and substitute therefor "1956".

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

Hon. Mr. Hayden: Honourable senators, as this bill has to go to the House of Commons, and as the amendment changing the year from 1957 to 1956 was made at the request of the Crown, I would move, with leave, that the amendment be concurred in now.

Some Hon. Senators: Agreed.

The motion was agreed to.

THIRD READING

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

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

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

EXCHEQUER COURT BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of Standing Committee on Banking and Commerce on Bill 160.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (160) intituled: "An Act to amend the Exchequer Court

Act", have in obedience to the order of reference of March 7, 1957, examined the said bill and now report the same with the following amendment:

Lines 11 and 12: strike out "shall reside at the city of Ottawa or within five miles thereof,".

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

Hon. Mr. Hayden: Next sitting.

EXPORT CREDITS INSURANCE BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 46.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (46) intituled: "An Act to amend the Export Credits Insurance Act", have in obedience to the order of reference of March 12, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

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

Hon. Mr. Hayden: Honourable senators, a senator has asked if this bill might stand for third reading tomorrow. I ask, therefore, that the bill stand for third reading tomorrow.

The Hon. the Speaker: Next sitting.

PRIVATE BILLS

WESTERN ASSURANCE COMPANY—REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill L-8.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (L-8), intituled: "An Act respecting The Western Assurance Company", have in obedience to the order of reference of March 6, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

BRITISH AMERICA ASSURANCE COMPANY—REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill M-8.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (M-8) intituled: "An Act respecting The British America Assurance Company", have in obedience to the order of reference of March 6, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

NORTH WATERLOO FARMERS MUTUAL INSURANCE COMPANY—REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill W-7.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (W-7) intituled: "An Act to incorporate The North Waterloo Farmers Mutual Insurance Company", have in obedience to the order of reference of March 5, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

GOVERNMENT PROPERTY TRAFFIC BILL REPORT OF COMMITTEE

Hon. W. D. Euler, Acting Chairman of the Standing Committee on Transport and Communications, presented the report of the committee on Bill Y-7.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (Y-7) intituled: "An Act to amend the Government Property Traffic Act", have in obedience to the order of reference of March 12, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

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

Hon. Mr. Euler: Next sitting.

TAXES COLLECTED IN NEWFOUNDLAND

NOTICE OF INQUIRY

Hon. Calvert C. Pratt: Honourable senators, I would like to give notice of the following question of the Government:

What are the total amounts of sales taxes and excise taxes collected within the province of Newfoundland for the last fiscal year, and how much of each of those taxes are on

- (a) Goods imported into Newfoundland.
- (b) Goods manufactured in Newfoundland.

Also what is the amount within each of those categories collected on

- (1) Tobacco and tobacco products;
- (2) Alcoholic beverages;
- (3) Non-alcoholic beverages;

(4) Ten other leading items of importation and manufacture?

Apart from the general interest in having these figures I would like the information for the purpose of appraising their effect on manufacturing industries in the province of Newfoundland. With the constantly increasing freight rates to our province these taxes become an increasingly adverse factor in competitive costs with industries in the central provinces.

INTERNAL ECONOMY

COMMITTEE MEETING

Hon. Jean-François Pouliot: Honourable senators, I would be thankful to the honourable Leader of the Government if he would tell us if the Internal Economy Committee will be meeting soon. I would like to know because I am running short of a stationery supply. I did not make any requisition since the 11th of January.

Hon. Mr. Macdonald: Honourable senators, I am sure that if the honourable senator will make a request he will obtain whatever stationery he requires. I can guarantee him that.

I think I can also give him a guarantee that there will soon be a meeting of the Internal Economy Committee. I expect it will be held next week. Some further developments have occurred in connection with the installation of an amplification system in the chamber, and when that information is available I shall have it presented to the Internal Economy Committee. I think it is better to defer the meeting of the committee until that information is obtained.

Hon. Mr. Pouliot: I thank the honourable gentleman, and taking into consideration his encouraging reply I shall put aside the question I intended to ask today about the sittings of the committee, and keep it for a further emergency.

DIVORCE STATISTICS

NOTICE OF INQUIRY

Hon. Mr. Pouliot: Honourable senators, I wish to give notice of the following inquiry for Wednesday, March 20:

1. What was the population of Canada at the time of Confederation (1867) and what is it now?
2. How many divorce cases have been heard by the Divorce Committee of the Senate during each parliamentary session
 - (a) from 1867 to 1872 inclusive, and
 - (b) from 1952 to 1957 inclusive?
3. What was the average proportion of divorce cases heard by the Senate Divorce Committee, in relation to the population of Canada,
 - (a) from 1867 to 1872 inclusive, and
 - (b) from 1952 to date?

If any honourable senators wish to know why I ask these questions, it is because at the time of Confederation the number of divorce cases was much smaller than it is now; and if we multiply the number of divorce cases during the first period after Confederation, and, in accordance with the spirit of the Fathers of Confederation, the lawmakers, multiply that number by four, equivalent to the increased population, we could set a limit on this basis to the number of divorce cases to be heard in any year, and additional petitions could be put on a waiting list to be heard at subsequent sessions.

TRAFFIC ACCIDENTS

HIGHWAY, RAILWAY AND AIR— NOTICE OF INQUIRY

Hon. Mr. Pouliot: Honourable senators, I give notice of the following further inquiry for Wednesday, March 20:

During each one of the last ten years:

1. How many persons have been killed or injured in Canada
 - (a) in collisions between motor vehicles and trains,
 - (b) in other railway accidents,
 - (c) in other motor vehicle accidents, and
 - (d) in airplane accidents?
2. What was the total approximate amount of the losses suffered thereby
 - (a) by the owners of motor vehicles,
 - (b) by the railway companies,
 - (c) by the airplane companies,
 - (d) by the insurance companies?
3. Is it the intention of the Senate to instruct the Standing Committee on Transport and Communications of the Senate to investigate the loss of lives due to collisions between motor vehicles and trains and other railway and motor vehicle accidents as well as airplane accidents and make recommendations to reduce the number of such losses of lives?
 4. If so, when?

Hon. Mr. Macdonald: I do not see how it is possible to answer the third question of the honourable senator from De la Durantaye (Hon. Mr. Pouliot). He wants to know if it is the intention of the Senate to instruct the Standing Committee on Transport and Communications to make an investigation. I do not know who is in a position to answer the question. I cannot answer it.

Hon. Mr. Pouliot: I would ask the honourable leader (Hon. Mr. Macdonald) to please give me the answers he can. My impression is that, as always, I will be satisfied with them.

DOMINION CURLING CHAMPIONSHIPS

TRIBUTES TO COMPETING RINKS

On the Orders of the Day:

Hon. John T. Haig: Honourable senators, before the Orders of the Day are proceeded with may I take a few minutes to explain my absence from this chamber last week. I was in the city of Kingston, Ontario, helping the Dominion Curling Association decide which province in Canada has the finest curling rink. I might say quite candidly that this rink would also be the finest in the world, for there are no curlers anywhere comparable to the finalists for the MacDonald's Brier Tankard, symbolic of the Dominion Curling Championships.

This year the competing teams came from British Columbia, Alberta, Saskatchewan, Manitoba, northern Ontario, "old" Ontario, Quebec, Prince Edward Island, Newfoundland, New Brunswick and Nova Scotia. These championships have spanned thirty-one years—they were not held for three years during World War II—and I have had the honour of being present at twenty-six. As Chairman of the Board of Trustees of the trophy, I have had quite a bit to do with the arrangements for these championships.

I think the competition and the whole tournament at Kingston was just about the best in the history of the Canadian game. Before congratulating the winning rink I would like to pay special tribute to the young rink from Prince Edward Island. Their progress over the preceding year was the greatest shown by any provincial rink, and was the Island's finest representation in twenty-eight years. The young men on the rink are a great credit to their province, and even the top-notch rinks had to play their last rock on the last end before beating them out.

Curling has become one of our great national games. There are in this country nearly four times as many women curlers and twice as many male curlers as there were thirty years ago. During the past winter representatives from the Royal Caledonian Curling Club of Scotland, the mother of curling, and representatives from the leading curling association in the United States, met in Canada for the first time with Canadian curling officials. The Scots and the Americans acknowledged that Canada is now the greatest curling centre in the world. Various rules and regulations were discussed, and with two small exceptions the Scottish and American

curlers decided to accept our rules, which, of course, were originally based on those of Scotland.

As honourable senators are probably aware, the Alberta rink captured the coveted MacDonald's Brier Tankard and became the twenty-ninth possessor of this trophy which is emblematic of single rink curling supremacy in Canada. The Alberta rink went through the competition without a loss. I must tell you a little story about this rink. It was so much ahead in the last game that the skip, Matt Baldwin, did not need to throw his own two rocks. But when he threw the first one he jumped on it and rode it half-way down the ice until it came to a stop. The spectators, not having seen anything like that before in curling competition, were simply amazed, and when he came to throw his second rock they yelled "Ride it out. Ride it out." So he jumped on it and rode it clear down to the tee in the middle of the rings. I had never heard of such a thing, and it shows the calibre of curling displayed in those competitions. It was simply magnificent. Frequently one shot in one end decided a game. The Campbell brothers from Avonlea, Saskatchewan, placed second, and the Stone rink from British Columbia placed third. The Manitoba rink finished fourth.

The people of Kingston deserve a great deal of credit for the wonderful reception they gave the curlers and officials. Their hospitality exceeded anything we had ever experienced before. They even went so far as to make your humble servant an honorary member of the City Council and gave me a key to the city. I thought I might have to use it for my honourable friend to my left (Hon. Mr. Aseltine), but I kept him under close observation and so did not have to get him out of any place.

Perhaps I should not say this, but I will. I spoke six times at public meetings in the first three days, and at the conclusion of my last speech a lady came up to me and said, "Senator Haig, I don't think we will abolish the Senate". So the Senate is safe for another year anyway.

Next winter the Dominion Curling Championships will be held in Victoria, British Columbia, and will help that province celebrate its centennial. The competitors will travel on dome trains through the Rocky Mountains from Calgary to Vancouver.

Honourable senators, I was never so proud to be a Canadian as when I watched the various provincial curling rinks, representing the young manhood of our country, stepping out on the ice to play this strictly amateur sport. They are not professional athletes; they play for the love of the game. Both on

and off the ice they were a credit to their provinces and to their country, and I want to congratulate them on their magnificent showing. I am sure that next year they will do even better. I congratulate Alberta as the winner, and also Prince Edward Island on the wonderful progress that small province has made since it became active in this organization ten years ago.

Hon. Senators: Hear, hear.

Hon. Arthur Marcotte: Honourable senators, I greatly admire contestants who take part in the game of curling, and I can well understand the enthusiasm of the honourable senator from Winnipeg (Hon. Mr. Haig) for that game. However, it is a little amusing to me that the game requires four men and two brooms on each side, whereas the game that I play, and in which I am an expert, requires only one man on each side—and without brooms. I am speaking of billiards. My friend should not forget as long as I am at my desk here, that I am a champion. I am proud to stand here and say that I am undefeated amateur billiards champion of Canada.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: Honourable senators, may I be permitted to say to the honourable senator from Ponteix (Hon. Mr. Marcotte) that we rejoice in his accomplishments over the years, and we hope that he will remain the undefeated billiards champion. He set a very high standard, and it is doubtful if anyone else will ever attain to it.

I am sure I express the feeling of all present when I say how happy we were that the Leader of the Opposition (Hon. Mr. Haig) was able to be present at the MacDonald's Brier competition in Kingston last week. We missed him in the house very much and we missed his speeches, but we were glad that the citizens of Kingston had an opportunity to hear the fine style of oratory he displays in this chamber from day to day. May I add that the Senate is proud that the Leader of the Opposition has held such an important office in curling for so many years; it is an office that requires the confidence of the curlers of Canada, and he has carried out his duties with great distinction and complete fairness. Next year the MacDonald's Brier championships will be played in Victoria and we all hope that upon his return from them he will give us another stirring account of the competing rinks and their plays.

Hon. Senators: Hear, hear.

Hon. Mr. Haig: Thank you.

CANADIAN FARM LOAN BILL

SECOND READING

Hon. William H. Golding moved the second reading of Bill 159, an Act to amend the Canadian Farm Loan Act.

He said: Honourable senators,—

Hon. Senators: Hear, hear.

Hon. Mr. Golding:—in moving second reading of Bill 159, an Act to amend the Farm Loan Act, may I say that the Canadian Farm Loan Act was first set up in 1929, and according to evidence given in the other place, some \$120 million has been loaned under the terms of the act up to the present time.

Since the act was first put into practical operation many amendments have been made for the purpose of making the act more helpful to those whom it was intended to help, namely, our Canadian farmers. For instance, back in 1952 the maximum amount which could be loaned to one individual was \$5,000 on a first mortgage, and \$1,000 on a second mortgage. These loans were based on 50 per cent of the appraised value of a property.

From 1952 until last year the maximum amount which could be loaned to any one person was \$10,000 on a first mortgage, and \$2,000 on a second mortgage, making the total loan to any one person \$12,000; but in any case the loan could not exceed 50 per cent of the appraised value. As a result of amendments made last year second mortgages were abandoned, and the maximum loan to any one person is now \$15,000, but in any case not to exceed 65 per cent of the appraised value of the farmer's property.

The proposed amendment to the act by this bill is very simple. Its purpose is to increase the capital of the board from \$3 million to \$4 million. By the amendment to the Canadian Farm Loan Act, assented to last year, the capital of the board was fixed at \$3 million, and authority was vested in the Minister of Finance to loan to the board from time to time up to 20 times the par value of the outstanding capital stock of the board; this would amount to \$60 million.

One of the purposes of the bill introduced last year was that the board should, through the Minister of Finance, come to Parliament periodically to increase its borrowing power if necessary. Previously, the capital of the board was increased automatically with an increase in its lending at the rate of 5 per cent of the total principal amount of loans outstanding, and it was mandatory for the minister to subscribe to and pay for any increase in capital thus issued. The minister, in turn, was authorized to lend to the board

an amount not to exceed 20 times such outstanding capital stock of the board.

At the time of the last amendment to the Canadian Farm Loan Act it was anticipated that it would not be necessary to ask Parliament for a further amendment until perhaps 1958 for the purpose of increasing the board's capital and thus increasing the Minister of Finance's lending authority to the board.

As of December 31, 1956, outstanding borrowings from the Minister of Finance totalled \$43,300,000, leaving a balance of lending authorization to the minister of \$16,700,000. It is expected that the accelerated rate of lending will continue and that the board's commitments for the period January 1, 1957 to March 31, 1958 will be as follows: loans now in solicitors' hands for disbursement, \$4,100,000; loan approvals on hand pending acceptance by applicants, \$4,700,000; unappraised applications on hand \$750,000; anticipated new business April 1, 1957 to March 31, 1958, \$15 million. These items total \$24,500,000.

Now, on the other side there is a balance of lending authorization to the minister as of January 1, 1957, of \$16,700,000. It is estimated that the board will receive by principal repayments from January 1, 1957 to March 31, 1958, \$6 million. These items total \$22,700,000.

In other words, there is a probable excess of commitments over present lending authority, if we look forward to March 31, 1958, of \$1,850,000. Therefore, in the interest of the board's prospective borrowers, it is desirable that the Canadian Farm Loan Act be amended at this time to increase automatically the lending authority of the Minister of Finance.

The increase in dollars to the capital stock is relatively not a large one; it is an increase of from \$3 million to \$4 million. It is true of course that that by itself does increase substantially the opportunity of the board to expand its operation because of that large ratio of 20 to one. This increase of \$1 million to the authorized capital of the board will allow the Minister of Finance to lend the board up to \$80 million, instead of \$60 million as at present.

As I have pointed out, the maximum single loan is now \$15,000, and apparently the number of loans is increasing. In Canada as a whole for the first 10 months of the present fiscal year the number of loans was 2,751 as compared with 1949 for the previous full fiscal year.

The amounts of loans approved total \$13,109,000 for the first 10 months of this fiscal year, compared with \$7,791,000 for last year.

I am sure, honourable senators, we all realize that agriculture, as one of the very important branches of our economy, has not shared in the general prosperity of our country as it should have done. The prices for what our farmers have had to sell have been low in comparison with the cost of the commodities they have had to buy; perhaps this is one of the reasons why our agriculturists find it so difficult to borrow funds in order to carry on their farm operations.

In view of this situation which we know does exist, I feel sure we will all welcome this amendment, as it will make available additional funds for the Farm Loan Board to carry out the intentions of the Canadian Farm Loan Act, passed by Parliament some 28 years ago.

The interest rate on loans at the present time is 5 per cent. At one time the mortgage term was 25 years; now it is 30 years. However, payments are on an amortized scheme, so the borrower pays so much on interest and capital each year. If the borrower wishes to pay on a 10-, 15- or 20-year scheme, that can be arranged, and if he wishes to pay semi-annually he can do so.

During the years the act has been in operation there have been times when a loss has been shown in the board's operation. Recently there has been a small profit. The profit for the fiscal year ending March 31, 1956 was \$173,175 after taxes.

No dividend has been paid on the capital stock.

This amending bill has only one clause, and its purpose is to increase the capital of the board from \$3 million to \$4 million.

Honourable senators, I commend this bill to your favourable consideration.

Hon. F. W. Gershaw: Honourable senators, we have heard a full explanation of this bill by the senator from Huron-Perth (Hon. Mr. Golding), and I am sure we are all pleased that the scope of operations of the Canadian Farm Loan Board is to be increased.

However, I have heard a good deal of complaint in the area from which I come that the board has failed to perform the function it was intended to fulfil. It may be that the board has been unduly cautious in the placing of loans. I have heard farmers complain that even when they made application for a loan and asked to have their assets appraised, weeks and months passed before a representative of the board would call to advise them of the action to be taken or even to value their assets. That type of complaint seems to be quite general.

A further complaint against the board is that in the placing of loans it would seem

to discriminate against certain parts of the country. For instance, that part of the west known as the dried-out or burned-out area seems to have been entirely excluded from the board's assistance. Any farmer from that area who writes in for a loan is usually told that the board is not making loans in that locality. Such a refusal not only is discouraging to the applicant, but it hurts his feelings, because there are in the locality successful farmers who would be worthy at least of having their assets valued and of receiving assistance by way of a loan.

In the so-called dried-out area there are farmers who operate on irrigated land. They too seem to be excluded from consideration by members of the board. These farmers for the most part have valuable assets, good pasture and fodder for their stock, and they may at times require some capital to make better use of the assets they have. Notwithstanding that, if they are on irrigated land they do not seem to be able to get a farm loan.

I voice these complaints, honourable senators, because I have heard them so often, and because I feel the farmers in the dry and irrigated areas have a right to receive assistance from the Canadian Farm Loan Board.

Hon. John T. Haig: Honourable senators, I do not intend to delay the house long. Generally speaking, I lend my support to a measure of this kind. In this instance, I am well acquainted with the Chairman of the Farm Loan Board and know him to be a most capable man.

But I can understand how there is some hesitation on the part of the board to place money in dried-out areas; and I can understand its reluctance to lend money to farmers who operate on irrigated land. These may be questions of board policy, about which I know nothing. Perhaps they should be gone into with a view to testing their justification. A committee has been set up, of which the honourable senator from Blaine Lake (Hon. Mr. Horner), is a member, which investigates the problems of the farmers all over the country. When the report of that committee is received I am sure we will be better able to offer suggestions for the correction of present problems.

I know the board's manager at Winnipeg. He is a very able man, brought up in one of our best farming communities—Gladstone-Neepawa. The honourable member from Churchill (Hon. Mr. Crerar) will know where that is. He is a capable young farmer, I would say about forty. I went through university with his uncle, so I have had an opportunity of knowing the family for a good

many years. This man enjoys meeting the farmers and going out and investigating their problems, and he is really good at it.

I will now discuss the point that my honourable friend from Blaine Lake (Hon. Mr. Horner) and myself are equally critical of. When the board makes a loan to a farmer it places a lien on everything he owns, not only a mortgage on his farm, but a chattel mortgage on his machinery and equipment. That policy creates a lot of difficulty for the farmer. It may be the policy of the Government—I do not know—it may be policy which the board is carrying out under instructions, but it certainly is not a good policy, for the effect of it is that when the farmer urgently needs ready money he finds himself in the greatest difficulty. As I said, the board not only takes a mortgage on his land, but it also takes a chattel mortgage on all his machinery and equipment. That may be a way of keeping the farmer from getting into additional debt through borrowing money from other sources, but at the same time it does tie him up badly. During the parliamentary recess, when I am back home, five or six farmers a month will come in to ask me to see if something cannot be done for them by way of lifting these mortgages.

Originally, the board lent money on the security of the land only, but with increased borrowings the land did not provide enough security to permit lending the increased amounts, so the farmers had to borrow from other people, probably paying an interest rate of one or one and a half per cent higher for the accommodation. However, they were willing to pay a higher rate to obtain money to discharge their obligations.

I would suggest to the honourable Leader of the Government (Hon. Mr. Macdonald) that some investigation should be made by the Government as to whether it is necessary to place these chattel mortgages on a farmer's equipment when he obtains a loan from the Farm Loan Board.

Hon. Mr. Aseltine: That practice has been done away with.

Hon. Mr. Haig: Well, I am certainly glad to hear that. But it must have been done away with only recently.

Hon. Mr. Aseltine: It was dropped last year.

Hon. Mr. Haig: That is what I thought, it was done away with only recently.

However, the same criticism applies to the case of a loan made under the Farm Improvement Loans Act, where a farmer on a loan from a bank, buys a tractor, for instance, and gives the bank a mortgage on it. The Government guarantees such loans to a certain degree, but here again I would suggest

that a change be made. I do not think that arrangement helps the farmer a bit. I know, because I deal with dozens of these cases in the province of Manitoba. Under this arrangement the farmers are right up against it. A farm cannot be run without machinery, yet the banks are in a position to say, "If you do not pay your loan we will have to take the machinery away"; and the Farm Loan Board, on the other hand, says, "If you do not pay the mortgage debt on the farm we will take the farm." What is the farmer to do in between the two fires?

Hon. Mr. Beaubien: That is not done very much.

Hon. Mr. Haig: Oh, no? It is just starting. Evidently you do not have to deal with these matters as I do. For instance, recently a farmer went into a bank where a relative of mine happens to be manager, and in the discussion the manager advised the farmer he would have to pay off his loan. The farmer said, "Well, if that's the attitude you take I will have to go and see Senator Haig about this." Then he added "By the way, your name is Haig, are you a relative of the senator?" The manager replied, "Yes, he is my dad." The farmer retorted, "Well, he is not half as hard to deal with as you are." The bank was pressing for repayment. All the banks are doing that today, and if the loan is not repaid the bank has to get an extension of the guarantee from the Government, failing which the Government cannot be held to the guarantee. It is this sort of thing that I am critical of.

Honourable senators, I did not know that the Farm Loan Board had discarded the system that I have been criticizing until my honourable friend from Rosetown (Hon. Mr. Aseltine) told me about it just now, but I may say that while it was in operation it posed a terrible problem. As late as last summer a number of cases were going through my office, and I got discharges of some chattel mortgages.

Hon. Mr. Macdonald: Those must have been on loans made some time ago.

Hon. Mr. Haig: That may be so. This was in April or May last year.

Hon. Mr. Aseltine: They were probably old mortgages.

Hon. Mr. Haig: I would like to see these things changed, especially the provision whereby the farmer's machinery is mortgaged to the bank. It makes for a very difficult proposition for the farmer.

Hon. R. B. Horner: Honourable senators, I have just a few words to say. The honourable senator who explained this bill (Hon.

Mr. Golding) said that the valuation of a farm for loan purposes is set at 65 per cent of its true value, but I would point out that that is only one man's opinion. In some cases the land is valued at the municipality's assessed value, although land in the vicinity has been selling at prices double the assessed value and is really worth it. I would point out that assessments vary from municipality to municipality throughout the west. They are not all equalized as between one municipality and another, for one municipality may have a low assessment value and a high mill rate while an adjacent municipality has a high assessment and a low mill rate. That state of affairs leads to confusion in determining the value of farms for loan purposes.

I listened to the complaint of the honourable senator from Medicine Hat (Hon. Mr. Gershaw). The trouble is that the board ties a farmer up completely, and thereby he becomes a poor risk for a bank, so that in times when he needs a few dollars urgently he is unable to borrow.

As a general rule I am strongly opposed to long-term loans, and I would advise farmers not to enter into them if they possibly can avoid doing so. To place a mortgage on your land for 30 years is, to me, the same as entering into a long term of bondage.

Another thought which occurs to me is that there are favoured districts where loans can be secured easily, and other districts where the board will refuse to lend at all. Anyone who has had experience of conditions in western Canada knows that there are farmers who, although everything seems to be against them, are a good risk. Though they live in a dry area they can manage to make a good living. So I do not believe that any hard and fast rule should be applied, or injustice will be done by the refusal of loans to some who, although their land may not be of first quality, are capable of making repayment. I recall many cases in which I preferred to lend money to a man on poor land than to one whose property, from a mortgage point of view, was excellent. My point is that inspectors and valuers could avoid a lot of criticism by adopting a more realistic view of the situation and, instead of barring out certain areas, considering an applicant on the basis of his record and reputation.

Hon. W. M. Aseltine: Honourable senators, I spoke on this subject when it was before us last year. The criticism put forward by the honourable senator from Medicine Hat (Hon. Mr. Gershaw) is not especially applicable to the part of Saskatchewan in which I live. What we are concerned about is a situation of another kind. If a farmer who

owns a half-section clear of encumbrance, and another half-section with a mortgage, makes application to the board for a mortgage on his clear half-section he cannot obtain it unless he includes the other half-section as security, and all his debts must be paid off or he cannot get five cents. So, though his land may be valuable, if the encumbrances on it are considerable a farmer finds it almost impossible to borrow money from the board. Another consideration is that by accepting one of these mortgages his credit is gone; he cannot borrow any money from a bank. His land assets are tied up, and banks will not lend on a chattel mortgage. So all his security is held by the Farm Loan Board, and he is in a more difficult position than if he had no loan at all.

Hon. T. A. Crerar: The honourable senator from Rosetown (Hon. Mr. Aseltine) said that a farmer who has two half-sections of land, one mortgaged and the other with a clear title, is unable to borrow from the Farm Loan Board on the half-section which had a clear title. In the case of the half-section which was mortgaged, would he not have covenanted to pay that debt, and would not that covenant put a cloud on the title of the second half-section?

Hon. Mr. Aseltine: No. In the province of Saskatchewan, at any rate, a judgment cannot be had on a covenant under an agreement for sale or a mortgage. You cannot sue on a covenant there.

Hon. Mr. Haig: Nor in Manitoba.

Hon. Mr. Aseltine: You can get the land back, or you can foreclose the mortgage, as the case may be.

Hon. Mr. Macdonald: That is under a provincial statute.

Hon. Mr. Haig: The law is the same in Manitoba.

Hon. Mr. Aseltine: You can take the land, but you cannot sue on the covenant.

Hon. Arthur Marcotte: The security provision may be a good thing from the Government's point of view; I do not know. But in Saskatchewan, the minute that a man comes under the scheme provided for in the Canadian Farm Loan Act, all his assets are taken as security. In Saskatchewan no creditor is able to get redress against the owner of land because all the farmer's assets are mortgaged to the Government. I know by experience that, under the present provincial Government, one cannot eject a defaulting debtor from his land. From this point of view the legislation is no good. The honourable senator from Rosetown (Hon. Mr. Aseltine) can confirm what I say, for my

experience in this matter is the same as that of many others. I have been through it, not only on behalf of clients, but for myself.

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

REFERRED TO COMMITTEE

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

PRIVATE BILL

PÈRES OBLATS DE L'IMMACULÉE CONCEPTION —COMMITTEE AMENDMENTS CONCURRED IN

The Senate proceeded to consideration of the amendments made by the Standing Committee on Miscellaneous Private Bills to Bill I-7, an Act respecting Les Révérends Pères Oblats de l'Immaculée Conception de Marie.

Hon. John J. Connolly moved that the amendments be concurred in.

The motion was agreed to, and the amendments were concurred in.

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

Hon. Mr. Connolly (Ottawa West): Next sitting.

DIVORCE BILLS

SECOND READINGS

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill H-9, an Act for the relief of Jacques Piche.

Bill I-9, an Act for the relief of Ruby Ivy Jewell Daniel.

Bill J-9, an Act for the relief of Clara Soloway Rudy Sazant.

Bill K-9, an Act for the relief of Jean Houde.

Bill L-9, an Act for the relief of Gisele Comtois Brodeur.

Bill M-9, an Act for the relief of Mitzi Aronovitch Bezonsky.

Bill N-9, an Act for the relief of Miriam Brodish Silverman.

Bill O-9, an Act for the relief of Paule Chaput Mongeau.

Bill P-9, an Act for the relief of George William Ellis.

Bill Q-9, an Act for the relief of Joseph Gagne.

Bill R-9, an Act for the relief of Lois Altena Robertson Meade.

Bill S-9, an Act for the relief of Ethelynn Joan Ratcliff Gauvreau.

Bill T-9, an Act for the relief of Mary Flatman Tardif.

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

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

Hon. Mr. Gershaw: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 14, 1957

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

Prayers.

Routine proceedings.

PRIVATE BILLS

BISHOP OF THE ARCTIC—REPORT
OF COMMITTEE

Hon. Norman P. Lambert, Acting Chairman of the Standing Committee on Miscellaneous Private Bills, presented the report of the committee on Bill N-8.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred the Bill (N-8) intitled: "An Act respecting The Bishop of the Arctic", have in obedience to the order of reference of March 7, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

Hon. Mr. Burchill: With the consent of the house, I move the third reading now.

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

EQUITABLE FIRE INSURANCE COMPANY
OF CANADA—REPORT OF COMMITTEE

Hon. Mr. Lambert, Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill K-8.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (K-8) intitled: "An Act respecting Equitable Fire Insurance Company of Canada", have in obedience to the order of reference of March 6, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

Hon. Mr. Lambert: With consent, I move the third reading now.

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

CANADIAN FARM LOAN BILL

REPORT OF COMMITTEE

Hon. Mr. Lambert presented the report of the Standing Committee on Banking and Commerce on Bill 159.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (159) intitled: "An Act to amend the Canadian Farm Loan Act", have in obedience to the order of reference of March 13, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

ADJOURNMENT

Hon. Mr. Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

The motion was agreed to.

NATIONAL FILM BOARD

NOTICE OF INQUIRY

On the notice of inquiry by Hon. Mr. Fournier relative to the moving of equipment and supplies of the National Film Board from Ottawa to Montreal:

Hon. Mr. Macdonald: Stand.

Hon. Mr. Fournier: As this notice of inquiry has been appearing on the Order Paper for at least three weeks, may I ask the honourable Leader of the Government (Hon. Mr. Macdonald) if he can see to it that at the next sitting the answer will be given?

Hon. Mr. Macdonald: I shall try to carry out the wishes of the honourable senator. I can assure him that if I am able to get the information in time I will present it on Tuesday evening. One of the reasons for the delay is that the Minister of Public Works has been away. I understand that he returned today and I shall try to see him tomorrow.

MIDDLE EAST

NOTICE OF INQUIRY

On the notice of inquiry by Hon. Mrs. Hodges, for Hon. Mr. Farris, relative to the

Suez Canal, and to Israel and Egypt and the actions of the United Nations:

Hon. Mr. Macdonald: Stand.

Hon. Mr. Reid: May I make a suggestion to the honourable Leader of the Government (Hon. Mr. Macdonald) with regard to this question, the importance of which is evident to all honourable senators? It is, that consideration be given, when the answer is brought down, to the calling together of the Select Committee on External Relations, so that, in addition to the information contained in the reply, we may have the opportunity of asking any appropriate questions arising from it. The subject is a very important one, and many honourable senators are interested.

Hon. Mr. Macdonald: With leave of the Senate, I move:

That when the inquiry, notice of which was given by the Honourable Senator Farris on March 12, is answered, with respect to the Suez Canal and Israel and Egypt and the actions of the United Nations, it be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate*, and form part of the permanent records of this house.

The motion was agreed to.

See pp. 522-45.

EXPORT CREDITS INSURANCE BILL

THIRD READING

Hon. Mr. Macdonald, for Hon. Mr. Hayden, moved the third reading of Bill 46, an Act to amend the Export Credits Insurance Act.

Hon. Calvert C. Pratt: Honourable senators, as I had yesterday expressed a wish to say a few words about this bill, I appreciate the opportunity afforded to me by the sponsor, the honourable senator from Toronto (Hon. Mr. Hayden), who asked that the motion for third reading be postponed until today. I do not intend to make any extended references to the subject-matter, but there are a few points which I should like to bring out and which I hope will be useful.

I believe that the corporation which was established under this Export Credits Insurance Act now up for amendment is one of whose importance the public is largely unaware. It is tied in very closely with Canada's export trade. The possibilities before it and its potential usefulness are, to my mind, much greater than has been demonstrated since its organization. It is well managed and has been set up to do a good job, but like all export credit insurance agencies it is of recent creation and it will take time before it can fully take part in the business life of the country.

As honourable senators know, last year Canada's export trade amounted to \$4,789,000,000, of which amount our trade to the United States

accounted for something over \$2,800,000,000. We now have a severe deficit in our trade balance, so I am sure we are all aware of the importance of building up our export trade.

The average Canadian businessman is not export-minded, and this is a natural thing. Some provinces live mostly by exports, but in other provinces the people do not focus their minds on export trade. Their interests revolve around local issues. Many firms find it a lot more hazardous to carry on an export trade than to do business around their own localities. I am thinking not of the large companies or the well-organized firms that have sales offices, export departments and so on, but rather of the smaller firms that manufacture products which could be exported rather than sold for home consumption only.

One of the leading facilities for helping to reduce the hazards of export trade—and what is of greatest importance, the enlargement of the scope of that trade—is export credits insurance. The organization which we have in Canada not only can take care of insurance against bad debts arising in foreign markets, but it can also extend such facilities as obtaining credit references, checking on the desirability of customers, protect in a measure foreign exchange risks, and so forth. This is all part and parcel of the function of such an export insurance agency.

Credit export insurance in Canada covers only 1½ per cent of our total exports. It is true that the Export Credits Insurance Corporation does not cover exports to the United States, which constitute nearly 60 per cent of our total export trade, but 40 per cent of our exports go to other countries where such insurance can be a helpful factor. In England a government agency takes care of export credits. This agency is a branch of the Board of Trade, which is the equivalent of our Department of Trade and Commerce. The United Kingdom export credits insurance organization is authorized to insure up to a limit of £500 million, and that authority was recently increased to £750 million. The amount underwritten, I am informed, is somewhere between 8 and 12 per cent of the total exports of Great Britain. Allowances have to be made in calculating these percentages for some overlapping between the customers who are insured as, say, manufacturers, export agents, and so forth.

In Canada, as I said, export insurance amounts to a total of only 1½ per cent of the total exports. The exporters who are insured share a part of the risk. In this case, the risk is 85 per cent on the Insurance Corporation, and 15 per cent on the insuring

exporter. In that way there is an obligation on the exporter to be alert—to be on his toes to see that he does good business and sells to responsible customers. I cannot think of anything fundamentally sounder than that approach. Business done by letters of credit, which really means establishing the funds here before shipment, is not covered.

In what I have learned from the consultations I have had about export credits insurance conducted in Canada, I have reason to believe that those who handle it know their business and are out to give good service to the public. I really think, however, that they may be a bit too cramped, partly by reason of an inadequate financial set-up, and partly by self-imposed and somewhat rigid restrictions in the interest of safe, conservative business handling. Do not misunderstand me, honourable senators. I am not suggesting for one moment that such an organization should enlarge itself, and be hampered by undue red tape; but an organization of its kind, to be effective, must be able to extend itself widely in the business of accepting risks, in the interests of the exporting business of the country; and it can do this better than any one individual can do it. Of course, the very essence of insurance is meeting risks.

Honourable senators, I have been looking through some of the figures of this corporation in regard to what it has been insuring, and I have found that insurance for some branches of trade is practically non-existent. Last year iron and iron ore products took up 56 per cent of the total of the amount that was insured by this organization; agricultural products only 1.6 per cent; fishing products, less than 1 per cent, although fish in relation to the sum total of production has probably the highest percentages of exporting value of the industries of Canada.

I do not know why the limitations have been set, except that this organization is in a period of growth. Britain has had an experience of 25 years duration in the field of export credits insurance, but Canada is in the initial growth stage.

I observe that about one-third of all this insurance agency's coverage is in commonwealth countries, which accounts for about \$20 million. Canada's exports to the British West Indies last year amounted to about \$40 million, which was covered by this insurance in the amount of \$1.6 million; Latin America took about one-third of the total, or roughly about \$20 million, and the rest of the world took approximately one-third. The point I wish to stress is that there are areas of the world where the problems of foreign currency are not so acute as to make coverage by insurance a poor proposition altogether, yet

I think that a great deal of the export trade to these areas is retarded because the average businessman—not so much the big corporation, because it can to a degree look after itself—is not closely enough in touch with the problems. A recognized leadership in the nature of a progressive credit insurance agency plan such as this can be of great help in these circumstances.

I made some inquiries today and received a bit of information which I think will be of interest. Members of the committee listened yesterday to the very fine explanation given by the president of this organization. It will be recalled that he referred to claims outstanding, and said that owing to currency clearance difficulties there is an outstanding claim against interests in Turkey of \$4,700,000, after eight years of trading, totalling altogether about \$35 million. I learned this morning—and I was told that I could pass on the information—that \$1 million of that amount has been paid today.

It should be stated that only 190 Canadian exporters took advantage of this insurance service last year. The Canadian directory of exporters lists some 3,000 exporters. Now, if we took even half of that total list as being persons requiring coverage, 190 represents a small percentage to take advantage of it. I believe a great deal can yet be done to build up the interest of exporters generally in this agency, which undoubtedly has much to offer for the advancement of the Canadian export business.

The honourable senator who explained this bill on second reading (Hon. Mr. Hayden) made reference to the capital authorization of the corporation, which is \$15 million, of which \$5 million is capital issued by the Government, and there is a capital surplus of \$5 million. In addition there is an earned capital surplus of \$1.5 million.

The Export Credits Insurance Corporation, being a Crown corporation, is subject to corporation tax. But I would point out that this institution, in its operation, purposes and affiliations differs generally from other Crown corporations, and I can see no good reason for a corporation tax being applied to it. I do not make that observation merely because this body is exercising a sound public service, but because it is just not good practical sense to reduce its surplus by taxation. If the corporation is able to build up a surplus by charging fair and proper rates that the trade can stand, that will be reflected in the rates and services to be extended to the export business. The savings which the corporation can thereby pass on to other corporations in the export business, by reduced rates, will be taxed in the hands of those other corporations. So the public treasury would not

suffer by reason of tax relief at this source. Further, such relief would mean that the corporation by building up its own resources could extend its services to trading under more hazardous conditions in the export field and thus increase its total volume of exports. I refer particularly to instances where the problem of foreign exchange clearances may be a serious source of loss.

I urge therefore that this corporation be excluded from the application of corporation tax and be allowed to use its earnings to build up an adequate surplus, so as to be able to reduce its rates and extend its facilities to supply an overall insurance coverage to Canada's foreign trade. An appropriate substitute for corporation profits tax would be, I suggest, a charge for interest on the capital supplied, such charge to be at the Government bond rate.

As I have said, these credit insurance benefits apply now to about $1\frac{1}{4}$ per cent of our export trade, whereas the United Kingdom, with about 25 years experience, extends the service to between 8 and 12 per cent of its exports.

I thought these few points would be of interest to honourable senators.

Hon. G. Percival Burchill: Honourable senators, before this bill is passed I should like to commend the honourable senator from St. John's West (Hon. Mr. Pratt) on his interesting and informative remarks this afternoon.

Hon. Senators: Hear, hear.

Hon. Mr. Burchill: I agree with everything he has said. I should just like to check some figures with him. I gathered from the information I heard before the committee that our exports to the United States were not insured. Am I correct in that understanding?

Hon. Mr. Pratt: That is right; they are not insured by this organization.

Hon. Mr. Burchill: I understand further that our total exports last year were \$4,789,000,000, of which \$2,800,000,000 went to the United States, leaving approximately \$2 billion worth of exports to go to other countries. I am wondering if my friend's figure of $1\frac{1}{4}$ per cent takes into account our total exports, or our exports exclusive of those to the United States.

As a second point, may I mention the fact that none of our goods sold on letters of credit are insured. Does my friend's $1\frac{1}{4}$ per cent as applied to the \$2 billion in exports, exclusive of those to the United States, take into account the goods sold on letters of credit? Perhaps my friend would wish to

revise his percentage figure if those two points were taken into consideration.

The main purpose for my rising at this time is to say how much I deplore the fact that interesting and informative speeches, such as the honourable senator from St. John's West delivered this afternoon, are inadequately reported to the public at large. We have in this chamber leaders in industry, law, education and all the main branches of life in Canada, and many excellent addresses are heard. But the public does not benefit by them. I know of no institution about which there is greater ignorance than the Senate of Canada. Perhaps that is our own fault, but it is a matter that should receive serious consideration.

We listened the other evening to two or three speeches on the Canada Council bill. Many interesting points were raised by the honourable senators from Toronto-Trinity (Hon. Mr. Roebuck), which should at least be placed before the public. Yet, in no section of the Canadian press which I read was there any report of that debate. It is a serious loss to the Canadian public that wider coverage is not given to the proceedings of this chamber.

My honourable friend from De la Durantaye (Hon. Mr. Pouliot) has given notice of motion for revision of the rules of the Senate and in particular for reduction of membership of the standing committees, so as to afford honourable members "an opportunity to give the full measure of their talents". I do not know what his ideas are, but I hope that in the course of his remarks he might include a suggestion as to how we can get out to the public the material contained in excellent speeches such as we heard here this afternoon, for it seems to me that the people are missing a lot because of not knowing about discussions in this Chamber.

Hon. Mr. Pratt: Honourable senators, may I be permitted to reply to the question asked by the honourable senator? He asked if the 1.25 per cent of the total exports which I referred to included exports to the United States. The answer is, yes, it is 1.25 per cent of the total exports. The reason why exports to the United States are not insured, as was brought out in the committee, is that there are available private insurance facilities which make it unnecessary to have this plan cover those exports. If we eliminate exports to the United States, the percentage of the total would then possibly be between 2.5 per cent and 3 per cent of the sum total of exports.

As to the second question, shipments covered by letters of credit are not insured—they do not need insurance, of course. The

figures I quoted for Great Britain are also all-embracing, so the comparison should be approximately correct.

Hon. John T. Haig: Honourable senators, I do not intend to deal with the address given by the honourable senator from St. John's West (Hon. Mr. Pratt). I just want to refer to the remarks made by my honourable friend from Northumberland-Miramichi (Hon. Mr. Burchill) as to why more publicity is not given to our proceedings.

I happen to know a little about newspaper work, as one of my sisters is connected with one of the large newspapers and she occasionally talks about this lack of publicity.

Hon. Mr. Macdonald: She wrote a very good booklet too.

Hon. Mr. Haig: She tells me that the newspapers always publish items that are of interest to the public. But how can the Senate create any public interest when out of a chamber of 86 members, 81 are on the Government side and only five on the Opposition side? It is beyond my comprehension. I sat in a legislature where we had about twenty members on the Opposition and some thirty members on the Government side, and although that house was in one of the smaller provinces our activities were given a good deal of publicity in the newspapers. They told the people what was going on. If you look at the newspaper reports of any legislature that has an Opposition of reasonable size you will find plenty of discussion reported. But that cannot be said of this house.

Hon. Mr. Macdonald: May I ask the honourable Leader of the Opposition a question? Was there more publicity given to the speeches in the Senate when the house was more evenly divided?

Hon. Mr. Horner: There is a puzzler for you.

Hon. Mr. Haig: I am glad you asked that question. I may say that, for six or seven years after I came to this house the late Senator Dandurand was Leader of the Government and the Right Honourable Arthur Meighen was Leader of the Opposition. They were outstanding debaters, and they had a peculiar habit of speaking as often as they liked on every motion. Senator Dandurand would speak three or four times on a motion and Mr. Meighen would speak three or four times on the same motion, and neither objected to the number of times the other one spoke. I was curious enough to ask, "What is the rule that allows you to do that?" and they both told me that that was the practice in this chamber. I told them that I could not find provision for it in the rules.

The Senate did get publicity then, but after they left the publicity seemed to drop. If there were, say, 25 Opposition members in the Senate you would find it to be an altogether different house. For example, I know a little about law—not a great deal—and my honourable friend from Blaine Lake (Hon. Mr. Horner) knows a lot about farming, and others are well informed on other subjects, but if we had 25 members on the Opposition side there would be a much greater variety of opinion.

My honourable friend from St. John's West (Hon. Mr. Pratt) spoke on the subject of trade. I know a little bit about trade and I am not sure that this country should go too far with legislation of this kind. I will say no more than that.

I agree with the honourable senator from Blaine Lake that it would be good to see the independents in this house vote against the Government once in a while. If they would just do it once we would know that they could do it. I have seen some Government supporters vote against the Government on certain measures, and I do hope that at some time we will see the independents do the same.

Honourable senators, my point is this: give us 25 Opposition members in this house and you will see a great increase in public interest in what we do here. Certain members of this chamber never make a speech at all. They are good speakers, they are well educated and could make good speeches, but they hear someone discussing a subject that they are familiar with and they say, "that is enough on the matter." If I make a speech I can be quite sure that my honourable friend from Churchill (Hon. Mr. Crerar) will follow me, and probably the honourable member from Waterloo (Hon. Mr. Euler), as well as the senator from Toronto (Hon. Mr. Hayden) and the senator from Toronto-Trinity (Hon. Mr. Roebuck). If I speak first they will follow, but we have too few members in the Opposition to reply to arguments against my speech. The honourable member for Toronto-Trinity spoke a few days ago on the Canada Council Bill, and the honourable member from Toronto criticized him. That was a good debate. But we will never have really spirited debate in this house and we will never arouse much public interest in our proceedings until the Opposition forms a more reasonable proportion of the Senate's membership. I sat in a legislature when there were only three C.C.F. members, and I sat in the same legislature when there were ten members of that party; and, believe me, when there were ten C.C.F.'ers there was real interest in their propaganda and policy, and we who did not agree with what they stood

for had to put up a good fight in order to counteract it. But that kind of situation does not exist here. If I make a speech in criticism of the Government on any issue, I shall be followed by at least a dozen speakers attacking my views from every angle. I cannot reply to them; I am precluded from doing so.

I think this serves to indicate why the public takes so little interest in our proceedings. When the late Honourable John Hackett was appointed to this house I thought it was the beginning of a new era, in which the Opposition would have a sufficient number of members to enable it to take a proper share in the handling of public business. Mr. Hackett has passed on, and no one has taken his place. There are 16 vacancies, all of which, I have no doubt, will be filled either with Liberals or with independents who somehow always find themselves able to vote Liberal—and in doing so they may be right; that is their business, not mine. If the honourable senators from Northumberland-Miramichi and St. John's West want their speeches to be criticized, let the Opposition be increased to, say, 25 members, and there will be no lack of criticism. But unless the Conservative representation is enlarged, criticism will be lacking, and without it, no matter how good the quality of individual speeches, they will not receive much attention from the press. In short, if a public demand exists, speeches will be reported; if it is lacking, they will not. In the House of Commons there is a diversity of speeches which arouse public attention, and so, day by day, the newspapers carry reports of the proceedings.

From time to time demands are made that the Senate shall be changed or abolished, but hardly anyone is interested enough in the question to utter a word of comment. I said something on the matter at the Conservative convention, but nobody seemed to care. Some of my fellow senators were kind enough to compliment me, and I appreciated their words very much. But I repeat that there should be in this house an Opposition group of at least 25 members. If the Government is changed, what will happen? After ten years the balance will be reversed. When I came to this chamber it contained 64 Conservatives. We know how the representation has changed since then. In those days practically all the debating was done by two senators, but they were men of outstanding ability.

I suggest to the honourable Leader of the Government in this house (Hon. Mr. Macdonald) that he bring to the attention of the cabinet my request that when the 17 vacant seats are filled, enough Conservatives shall be appointed to give some semblance of

strength to the Opposition. Let it not be forgotten that there is an Opposition sentiment in the country. I will not say that after the coming general election the Conservative party will be in power, but at least it will be more largely represented in Parliament than it is now.

Hon. Mr. Macdonald: We shall remember that prediction.

Hon. Mr. Haig: In saying that the Opposition will be larger than it is now, I point out that, irrespective of differences on policies, public opinion is swayed against a party with too large a majority. People feel that the representation is too one-sided. As regards the Senate, the popular impression is that it is, in effect, a one-person house; and so long as that idea exists there will be criticism of this chamber, no matter what we do or do not do.

Hon. W. Ross Macdonald: Honourable senators, if I correctly understood what the honourable Leader of the Opposition (Hon. Mr. Haig) said, it was to the effect that when the house was more evenly divided, great publicity was given to the speeches of two of its members,—

Hon. Mr. Haig: Two outstanding members.

Hon. Mr. Macdonald:—and none to the speeches of other honourable senators.

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

Hon. Mr. Macdonald: Well, my honourable friend said that two members of this house did all the speaking.

Hon. Mr. Haig: They did a great deal of it.

Hon. Mr. Macdonald: So, if they did all the speaking, they were the only ones who could get any publicity.

Hon. Mr. Haig: That is not what I said.

Hon. Mr. Macdonald: It follows that the publicity which the Senate received in those days was not due to a more even division of the membership, but rather to the quality of the leadership.

Hon. Mr. Haig: That may be so.

Hon. Mr. Macdonald: Unfortunately, present leadership does not possess that quality, but I think it exists among other members of the house.

Hon. Mr. Roebuck: We have good leadership, too.

Hon. Mr. Macdonald: Many distinguished members are excellent speakers. It is not necessarily the case that when an honourable senator speaks against some motion presented on behalf of the Government he obtains much press attention. For instance, last Tuesday

evening the eminent honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) made an outstanding address in opposition to a Government bill. What publicity did he get? I did not even see his name in the paper,—

Hon. Mr. Haig: I saw it.

Hon. Mr. Macdonald: And this, as I say, in spite of the excellence of his speech.

Hon. Mr. Barbour: There was a brief report in the papers.

Hon. Mr. Macdonald: The notice must have been very small, for I did not see it, and I read the newspapers quite carefully.

Hon. Mr. Haig: There was some press notice.

Hon. Mr. Macdonald: The only conclusion I can come to is that it does not necessarily follow that speeches in opposition to legislation get publicity, but only those contributions which, in the opinion of the press, are of interest to the public. That is a question which the newspapers themselves must decide. You and I are not newspapermen; and we do not know—at any rate I do not know—what particular material is of special news value. So I do not agree with the statement that, merely by increasing the number of Opposition members, more newspaper publicity will be assured for our proceedings in this chamber. As I have said, there have been utterances of outstanding ability by honourable senators who frequently deliver speeches opposed to the policy of the Government, but of which no notice appears in the press.

Hon. T. A. Crerar: Honourable senators, I rise not to controvert the honourable Leader of the Opposition (Hon. Mr. Haig) but to propound a question to him which may add a little to the gaiety of our proceedings. My honourable friend asked, or rather asserted, that if there were 25 Opposition members in this house our sittings would be much more lively and that, therefore, the gentlemen who sit in the press gallery would probably consider them much more worth reporting. If that remark carries any implication—and I think it does—it is that the honourable Leader of the Opposition would favour carrying the controversies of the House of Commons, where political controversy is perfectly proper, into this house. I do not think that political contention is a function of this house.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: I do not believe that those who framed our Constitution intended that we should import into the Senate all the conflicts and political manoeuvring that go on in the House of Commons. Most assuredly, if we look back on the record of the Senate

and of its leaders in the past, that was not their view of the responsibilities of this house. I recall leaders in the Senate who, because they did not agree with Government legislation, definitely opposed the Government to which they gave nominal support. In my opinion, that is the sort of thing we are here for. It has often been said that the main function of the Senate is to examine legislation from a non-political viewpoint. It may be that in the heat of party controversy the other house will pass on to us some proposed legislation that sober second thought would not approve. In my humble judgment, it is the responsibility of this house to examine such legislation dispassionately from the point of view of the welfare of the whole nation. That is the essential function of this house.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Crerar: Now I come to the question that I wish to address to the Leader of the Opposition. What I have said so far has been a rather lengthy preamble to it.

Hon. Mr. Connolly (Ottawa West): But a useful one.

Hon. Mr. Crerar: The question is this: Does he consider it would be a good thing to increase the Opposition to 25 members, with the implication that the Opposition would then be in a better position to wage party controversies such as take place in the House of Commons?

Hon. Mr. Haig: I did not say anything about party controversies. I did say, though, that I knew my honourable friend from Churchill (Hon. Mr. Crerar) would get up and speak after I addressed the house. Every time I speak, if I put a certain emphasis in the right places, I can get him to rise to his feet like a jack-in-the-box. My point is that our Opposition group consisting of five members is not always equipped to adequately debate subjects after they have been introduced in this house. We could be, though, if we had 25 members.

My honourable friend from Northumberland-Miramichi (Hon. Mr. Burchill) is a businessman and so was able to comment on the address made this afternoon by the honourable senator from St. John's West (Hon. Mr. Pratt). If someone were to make a speech involving law I could depend on my honourable friend from Rosetown (Hon. Mr. Aseltine) to make a reply along with me. If the subject involved farming I could depend on my colleague from Blaine Lake (Hon. Mr. Horner), and perhaps a little on my colleague from Rosetown.

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: My point is that in a membership of five we have not enough diversity of opinion on any one subject to permit us to make a real debate. I do not care about politics; I don't have to get elected.

Hon. Arthur Marcotte: Honourable senators, I have listened with a great deal of interest to the addresses which have been made this afternoon. Some years ago, when His Honour the Speaker (Hon. Mr. Robertson) was Leader of the Government in the Senate, there were 15 Opposition members. I made a suggestion then that at no time should the Opposition party in the Senate have a membership of less than 15. My suggestion was made in good faith with no thought of trying to hold up Government legislation, for an Opposition of that size could never upset the Government on any issue. At any rate, His Honour the Speaker later—while he still was Government leader—suggested an alteration to my proposal, stating that the Opposition group should never be left with fewer than 12 members.

The senior senator from Ottawa (Hon. Mr. Lambert) has known my views on publicizing what we do here, but he has opposed them. It will be recalled that for a number of years the Senate appointed two men to bring our debates to the attention of the public. These appointments are no longer made.

Honourable senators, I have been in this chamber a long time and I have always closely followed everything that has taken place here. I think I can say that I am a senator in the true sense of the word and that I have always examined legislation with a non-political approach. I have no apologies to offer anyone for this.

I will not say that the Opposition in this house has failed in its job of opposing legislation. But we are not here to oppose. We are here to consider and examine legislation that is placed before us. This is what we have taken our oath to do. If the Senate wants publicity let it be worthy of it. Let it do something extraordinary. For example, had this house killed the recent \$100 million bill it would have gotten all kinds of publicity. I wish I had been able to take part in that debate, but I was warned by my doctors not to do so. They have cautioned me against excitement, and because I prefer keeping my eyesight and staying alive I did not speak on that important measure. Tomorrow I am going to get new glasses, and then I shall be able to see my colleagues properly. Incidentally, I am pleased to be able to say that I have no better friends in this house

than the Leader of the Government (Hon. Mr. Macdonald) and the Leader of the Opposition (Hon. Mr. Haig).

Honourable senators, we know the purpose for which the Senate was created. To criticize is easy, but a reason should be given for the criticism.

Hon. Norman P. Lambert: Honourable senators, I think it would be rather difficult to say whether or not the publicity that the Senate might receive from the discussion that has taken place in the past ten or fifteen minutes, following the admirable dissertation by the honourable senator from St. John's West (Hon. Mr. Pratt), will prove to be desirable. I doubt very much if the discussion will get much publicity, anyway. However, having had some part in giving publicity to the activities of people and also in reflecting it for others, may I say that I think the remarks that have been made here about words, and about the publicity that is given to those words outside of this house, and consequent comments in the press, have been rather fruitless and futile.

Shortly after I came to this chamber I heard the then Leader of the Opposition, the Right Honourable Mr. Meighen, make what I thought was a true statement about the Senate: he said that it was a workshop, not a theatre—or at least, that it should be a workshop. In other words, he meant that the accomplishments of the Senate most worthy of publicity were achieved in committees, and not in words uttered in full-dress debate in this house. Indeed, from my own observations, any worth-while publicity that the Senate has received at any time since I came here, and prior to that time, has definitely been connected with its achievements in special and standing committees on very important matters, such as railway transportation, income tax, various outstanding bills, and so on. Anything said in this house afterwards has always been a mere reflection of the work and accomplishments in committee rooms of this building. If the committees of the Senate were doing the work they should be doing—and I submit very definitely they have not been doing the work they might have been doing—we would not need to waste time here talking about how much publicity we are getting in the press. Deeds, not words, will establish the usefulness of this branch of Parliament.

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

GOVERNMENT PROPERTY TRAFFIC BILL

MOTION FOR THIRD READING—
DEBATE ADJOURNED

Hon. John J. Connolly moved the third reading of Bill Y-7, an Act to amend the Government Property Traffic Act.

He said: Honourable senators, some members of the committee to whom this bill was referred, have asked me, because of the fact that I explained the bill on second reading, to say a few words about the work that was done in committee on the bill. We were privileged to have present C. R. O. Munro, the senior counsel of the Department of Public Works, under whose jurisdiction the work in connection with this bill falls, and Inspector M. S. Cooper, of the Royal Canadian Mounted Police, who has a similar responsibility.

Two or three things constitute the highlights of the deliberations that the committee gave to the bill. In the first place, it was established to the satisfaction of the committee, I think, that it is Parliament which has sole jurisdiction to legislate on traffic on properties owned by the Crown in the right of Canada. In the second place, I think it was clearly established that the purpose of this bill was to bring the penalties for traffic offences, particularly the more serious ones, which are committed upon Crown property, into line with the penalties that are prescribed by the various provincial laws.

If, because of the inadequate explanation given on second reading, there was any misunderstanding about what the maximum penalties meant, the witnesses before the committee dissipated that misunderstanding. These maximum penalties—for instance, the \$500 fine and the six-months imprisonment—are now understood to be penalties which would be applied, not for a first offence, but probably only in the case of a third offence, and even then only if the offence was very serious, such as driving while intoxicated, or leaving the scene of an accident after serious injury had been occasioned, or other offences of that kind.

I think we were impressed with one other point, namely—to take an example—that in the case of a traffic offence committed, say, just outside a Government property but on a provincial highway, it would be unfair if the penalty was a very severe one, while for the same offence committed just within a Government property but off a public provincial highway the penalty was very light.

Honourable senators, I feel that this brief explanation pretty well summarizes the highlights of the committee's deliberations.

Hon. Thomas Reid: Honourable senators, I am very sorry I was unable to attend at the committee, but I was somewhat intrigued with the new clause of the bill "providing for the voluntary payment of fines". I know that such a practice is customary, but I am wondering if it is usual to include that provision in a statute, or if wording of that kind has been included in other acts. I should like to hear an opinion on that.

Hon. Mr. Connolly (Ottawa West): If there are no further questions, may I answer the honourable gentleman directly? We were advised, and it is the fact, that provision is made in the provincial laws for the payment of fines for traffic violations prior to a court hearing. Let me illustrate: If I get a ticket for a parking violation on federal property and the provision which is in the provincial law is not in effect, I cannot go to the police station directly and pay the fine, but must wait until the case is called in the court. For the convenience of the public it was thought advisable that one who is guilty of a traffic violation on federal property should have the privilege of paying his fine without waiting to appear before the magistrate on the calling of the case. As I say, that convenience is available under provincial law, and it was thought advisable to extend it to infractions under the federal law. However, I should add that if a person who is charged with a traffic offence feels he is not guilty, he can always appear before the magistrate and plead his case.

Hon. Mr. Reid: My other question has to do with traffic violations on the grounds around Parliament Hill.

Hon. Mr. Connolly (Ottawa West): This would cover parking regulations on Parliament Hill.

Hon. David A. Croll: Do the regulations apply to senators and members of Parliament who park on Parliament Hill?

Hon. Mr. Connolly (Ottawa West): Certainly. I do not think any special privilege in that respect extends to us.

Hon. Mr. Croll: I understand we do have rights and have had them for years. On these premises we are not subject to being served with documents, or to arrest. I recall very clearly an occasion when an attempt was made to serve me with a subpoena to appear as a character witness at a rather famous trial. I did not choose to be served, and so I stayed inside the buildings most of the day until it was too late to serve me that day.

Hon. Mr. Macdonald: Did you go out on the grounds?

Hon. Mr. Croll: I was out on the grounds. These are old and traditional rights which I think should be preserved. They should be applied with respect to the use of automobiles and to whatever else the law is now applicable. I did not attend the committee meeting, and did not follow too closely the provisions of the bill, but it seems to me that the rights of senators and members of Parliament should be preserved. I suggest that we take another look at this bill before it is given third reading and passed.

Hon. Mr. Reid: When one's car is improperly parked in some municipalities, the authorities see fit to tow it to the police station. What will happen to my car if I cannot find parking space on Parliament Hill in the section allotted to senators' cars and park it in another section? I believe there should be strict regulations governing speed and so on around Parliament Hill, but parking is a different matter.

Hon. Mr. Connolly (Ottawa West): I understand there have been instances when the cars of members of Parliament have been towed away from Parliament Hill. No special privileges are extended to us under this act with respect to traffic offences committed on Parliament Hill.

Hon. Mr. Croll: It is the encroachment on the rights of senators and members of Parliament that I object to.

Hon. Mr. Roebuck: You can adjourn the debate.

The Hon. the Speaker: Honourable senators, the question is on the motion for the third reading of Bill Y-7, an Act to amend the Government Property Act. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Reid: On division.

Hon. Mr. Roebuck: Honourable senators, I do not like to see this bill carried on division. I now move adjournment of the debate.

On motion of Hon. Mr. Roebuck, the debate was adjourned.

PRIVATE BILL

PÈRES OBLATS DE L'IMMACULÉE CONCEPTION —THIRD READING

Hon. Mr. Connolly (Ottawa West) moved the third reading of Bill I-7, an Act respecting Les Pères Oblats de l'Immaculée Conception de Marie.

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

DIVORCE BILLS

THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill H-9, an Act for the relief of Jacques Piche.

Bill I-9, an Act for the relief of Ruby Ivy Jewell Daniel.

Bill J-9, an Act for the relief of Clara Soloway Rudy Sazant.

Bill K-9, an Act for the relief of Jean Houde.

Bill L-9, an Act for the relief of Gisele Comtois Brodeur.

Bill M-9, an Act for the relief of Mitzi Aronovitch Bezonsky.

Bill N-9, an Act for the relief of Miriam Brodish Silverman.

Bill O-9, an Act for the relief of Paule Chapat Mongeau.

Bill P-9, an Act for the relief of George William Ellis.

Bill Q-9, an Act for the relief of Joseph Gagne.

Bill R-9, an Act for the relief of Lois Altena Robertson Meade.

Bill S-9, an Act for the relief of Ethelynn Joan Ratcliff Gauvreau.

Bill T-9, an Act for the relief of Mary Flatman Tardif.

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

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

THE SENATE

Tuesday, March 19, 1957

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

Prayers.

Routine proceedings.

SPEECH FROM THE THRONE

ADDRESS IN REPLY—MESSAGE OF THANKS FROM HIS EXCELLENCY

The Hon. the Speaker informed the Senate that he had received a message from His Excellency the Governor General, reading as follows:

The Honourable the Members of the Senate: I have received with great pleasure the Address that you have voted in reply to my speech at the opening of Parliament. I thank you sincerely for this Address.

Vincent Massey

PACIFIC SALMON FISHERIES CONVENTION BILL

FIRST READING

A message was received from the House of Commons with Bill 180, an Act to implement a Convention between Canada and the United States of America for the protection, preservation and extension of the Sockeye Salmon Fisheries in the Fraser River System, signed at Washington on the 26th day of May, 1930, and a Protocol thereto signed at Ottawa on the 28th day of December, 1956.

The bill was read the first time.

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

Hon. W. Ross Macdonald: Honourable senators, may I have consent of the house to consideration of this bill on second reading later this day? That is, when the Orders of the Day are called could it be the first order of business? I understand from the honourable member from New Westminster (Hon. Mr. Reid), who is explaining the bill, that there is some urgency in connection with it.

Hon. Senators: Agreed.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 238 to 273, dealing with petitions for divorce, and moved, with leave of the Senate, that the said reports be taken into consideration today.

Hon. Senators: Agreed.

The motion was agreed to.

Hon. Mr. Roebuck: Honourable senators, I thank you for the consent so readily given by some senators.

Hon. Mr. Macdonald: Unanimous consent.

REPORTS ADOPTED

Hon. Mr. Roebuck: Thank you. I now move that these reports be adopted.

Perhaps at this time I might fulfil a duty by reporting to the house the progress made by the Divorce Committee, a duty that seems to be appropriate when I am asking for expedition in handling these reports. I need not say why, because it is patent to all of us why it is necessary to proceed with them with all reasonable expedition.

As I informed the house some time ago, the number of petitions filed this year is 441. I will now give, in statement form, a progress report as of this date:

Petitions filed	441	
Petitions withdrawn		4
Petitions heard and recommended		300
Petitions heard and rejected		2
Petitions heard and adjourned for adjudication or further evidence		4
Petitions listed for hearing		40
Petitions pending		91
Total	441	441

It is intended that all the 40 petitions listed for hearing shall have been heard by the 25th of this month. So, if I may project the reckoning until that date and assume that all the cases now listed will then have been heard and recommended, the total number of cases dealt with will be 340. A comparison may make these figures stand out in our minds. I have not the exact number of petitions which were heard at this time last year, because the statistics cannot be measured so closely; but the 1956 and 1957 sessions began at about the same time of year, and on May 2, 1956 the committee had heard and disposed of 281 cases. That is to say, last year, a month and a half later than March 25, the Divorce Committee had disposed of 281 cases, as against 340 which will have been disposed of by Monday next. These figures, I think, speak for themselves; and as spokesman for the committee I feel entitled to throw bouquets at ourselves for the industry and great attention to duty which have been shown by all its members. For some weeks we met every day each week from Monday to Friday; more recently, when other committees have been sitting and the reporters have been required there, we have met either twice or three times—usually three times—weekly; and that, I suggest, is a pretty good chore.

Honourable senators, we have accomplished more than I could have reasonably hoped for by this date, and I thank the house for agreeing to give these reports immediate consideration.

The motion was agreed to, and the reports were adopted, on division.

DIVORCE AND ANNULMENT BILLS FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill V-9, an Act for the relief of Margaret Chapman Ramsay.

Bill W-9, an Act for the relief of Victoire Bergeron Rougeau.

Bill X-9, an Act for the relief of Paul Emile Doucet.

Bill Y-9, an Act for the relief of Andre Michel Allard.

Bill Z-9, an Act for the relief of Tekla Stefura Lawrentowycz, otherwise known as Tillie Stefura Lorentowich.

Bill A-10, an Act for the relief of Joseph Fernand Gerard Mallette. (Annulment).

Bill B-10, an Act for the relief of Mary Helen Joyce Lamberg Elfstrom.

Bill C-10, an Act for the relief of Joan Gertrude Mitchell Sams.

Bill D-10, an Act for the relief of Eileen Madeleine Conroy Wettlaufer Sobie.

Bill E-10, an Act for the relief of Esther Kahn Colomay.

Bill F-10, an Act for the relief of Doris Jean Lussier Strike.

Bill G-10, an Act for the relief of Mary Freeman Kurtaz, otherwise known as Mary Freeman Curtis.

Bill H-10, an Act for the relief of Gilbert Jacques Lafontaine.

Bill I-10, an Act for the relief of Shirley Chernofsky Rynd.

Bill J-10, an Act for the relief of Roy Porter.

Bill K-10, an Act for the relief of Miloslawa Zaleska Boski.

Bill L-10, an Act for the relief of Marie Marcelle Therese Dagenais Chesnel.

Bill M-10, an Act for the relief of Marie Louise Armand Josephine Wouters Haire.

Bill N-10, an Act for the relief of Robert Carruthers Burnside.

Bill O-10, an Act for the relief of Leon Gass Estabrooks.

Bill P-10, an Act for the relief of Irene Myra Cohen Auerback.

Bill Q-10, an Act for the relief of Brenda Iris Gibson Dunbrack.

Bill R-10, an Act for the relief of Geraldine Lenore Dowd Costigan.

Bill S-10, an Act for the relief of Eugenia Lontos Anderson.

Bill T-10, an Act for the relief of Molly Leibovitch Beane.

Bill U-10, an Act for the relief of Doris Katz Moscovitch.

Bill V-10, an Act for the relief of Jean Denis. (Annulment).

Bill W-10, an Act for the relief of Grayce Marion Mack Campbell.

Bill X-10, an Act for the relief of Genowefa Tkaczyk Janeczek.

Bill Y-10, an Act for the relief of Marion Stewart Whitehouse McCormick.

Bill Z-10, an Act for the relief of Shirley Jean Weir Villeneuve.

Bill A-11, an Act for the relief of Herbert Marshall Connell.

Bill B-11, an Act for the relief of Earl Morrison.

Bill C-11, an Act for the relief of Joseph Roger Fernand Masse.

Bill D-11, an Act for the relief of Anita Bernice Rosnick Joseph.

Bill E-11, an Act for the relief of Harry Nutbrown.

The bills were read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

INTERNAL ECONOMY

MEETING OF COMMITTEE

Hon. Jean-François Pouliot: May I inquire from the honourable Leader of the Government (Hon. Mr. Macdonald) when the next meeting of the Standing Committee on Internal Economy and Contingent Accounts will be held?

Hon. Mr. Macdonald: Honourable senators, I have just received notice to the effect that the next meeting of this committee will be held in committee room 368 at 11.30 a.m. tomorrow.

PRIVATE BILL

PROGRESSIVE INSURANCE COMPANY OF CANADA—FIRST READING

Hon. John J. Connolly presented Bill F-11, an Act respecting Progressive Insurance Company of Canada.

The bill was read the first time.

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

Hon. Mr. Connolly (Ottawa West): Thursday next.

NATIONAL FILM BOARD

MOVING OF EQUIPMENT, OTTAWA TO MONTREAL—INQUIRY AND ANSWER

Hon. Sarto Fournier inquired of the Government, pursuant to notice:

1. Have any public tenders been called for moving process equipment, furniture equipment and supplies of the National Film Board from Ottawa to the new building at Montreal?
2. The names and the prices submitted by the different companies which have tendered?
3. The name of the company which presented the lowest tender?
4. The name of the company to which this contract was awarded?
5. Has the work been done by this company? If not, who did it and for what conditions? A copy of all the contracts entered into by the Government and any other company in connection with this moving.
6. At what date did that moving start and finish?
7. What qualifications, as mover, has the company which signed that moving contract with the Government?

Hon. W. Ross Macdonald: The answer to the honourable gentleman's inquiry is as follows:

1.—Public tenders were called for the construction of the new National Film Board building at Montreal. The contract was awarded to the lowest tenderer who sub-contracted certain phases of his work to Canadian Comstock Company Limited; including the mechanical and electrical services necessary to supply the needs of the processing equipment of the National Film Board. The moving and installing of the process equipment was closely allied to the work assigned to Canadian Comstock Company Limited by the prime contractor and arrangements were therefore made with this contractor for the moving and modification of the existing process equipment and for the engineering and installation of new processing equipment, by contract, on the basis of their cost plus a fixed fee of \$50,000.

2.—Answered by No. 1.

3.—Answered by No. 1.

4.—Canadian Comstock Company Limited.

5.—Yes. A copy of agreement between Canadian Comstock Company Limited and the Crown is tabled herewith.

6.—Moving commenced June 15, 1955, and was completed on October 5, 1956.

7.—Answered by No. 1.

PUBLIC BILLS

SUSPENSION OF RULES

Hon. W. Ross Macdonald moved, pursuant to notice:

That for the balance of the present session Rules 23, 24 and 63 be suspended in so far as they relate to Public Bills.

The motion was agreed to.

DIVORCE STATISTICS

INQUIRY AND ANSWER

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. What was the population of Canada at the time of Confederation (1867) and what is it now?
2. How many divorce cases have been heard by the Divorce Committee on the Senate during each parliamentary session
 - (a) from 1867 to 1872 inclusive, and
 - (b) from 1952 to 1957 inclusive?
3. What was the average proportion of divorce cases heard by the Senate Divorce Committee, in relation to the population of Canada,
 - (a) from 1867 to 1872 inclusive, and
 - (b) from 1952 to date?

Hon. Mr. Macdonald: The answers to the honourable gentleman's inquiry are as follows:

1. Population of Canada:

1867 (estimated)	3,463,000
1956	16,080,791

2. (a) Number of divorces granted by Parliament:

1867	none
1868	1
1869	1
1870	none
1871	none
1872	none

Total 2

(b) Number of divorces granted by Parliament:

1952	312
1953	282
1954	378
1955	397
1956	356
1957	not available

3. (a) Proportion (per 100,000 population) of divorces granted by Parliament to population of Canada:

1867	none
1868	less than one
1869	less than one
1870	none
1871	none
1872	none

3. (b) Proportion (per 100,000 population) of divorces granted by Parliament to population of Canada:

1952	2.2
1953	1.9
1954	2.5
1955	2.5
1956	2.2
1957	see below

In addition to the foregoing, during the sessions 1867 to 1872 the Senate rejected two

divorce petitions and the House of Commons rejected one divorce Bill from the Senate. Also, the Senate Committee on Divorce heard and rejected 24 divorce petitions during the Sessions 1952 to 1956 inclusive, and the House of Commons rejected 10 divorce Bills from the Senate during the sessions 1952 to 1956 inclusive.

During the present session (1957) the Committee on Divorce has heard and recommended, as of this date, 300 divorce petitions and rejected 2. Hearings have been arranged for four more meetings for the present session at which it is expected 44 petitions will be dealt with.

TRAFFIC ACCIDENTS

**HIGHWAY, RAILWAY AND AIR—
INQUIRY AND ANSWER**

Hon. Mr. Pouliot inquired of the Government, pursuant to notice:

During each one of the last ten years:

1. How many persons have been killed or injured in Canada

(a) in collisions between motor vehicles and trains,

- (b) in other railway accidents,
- (c) in other motor vehicle accidents, and
- (d) in airplane accidents?

2. What was the total approximate amount of the losses suffered thereby

- (a) by the owners of motor vehicles,
- (b) by the railway companies,
- (c) by the airplane companies,
- (d) by the insurance companies?

3. Is it the intention of the Senate to instruct the Standing Committee on Transport and Communications of the Senate to investigate the loss of lives due to collisions between motor vehicles and trains and other railway and motor vehicle accidents as well as airplane accidents and make recommendations to reduce the number of such losses of lives?

4. If so, when?

Hon. Mr. Macdonald: I have the answer to the honourable gentleman's inquiry, with the exception of items Nos. 3 and 4. When notice of the inquiry was given I explained at that time that I could not answer those two items. I am still in that position.

1. (a)

	Killed	Injured
1946	95	409
1947	132	477
1948	125	477
1949	120	470
1950	126	447
1951	191	483
1952	182	451
1953	172	426
1954	161	390
1955	168	}not
1956	not available	}available

(b)

1946	225	3,780
1947	241*	3,984
1948	252	3,841
1949	198	3,325
1950	194	3,098
1951	207	3,127
1952	214	3,156
1953	141	2,781
1954	148	2,359
1955	148	}not
1956	not available	}available

* Excluding 21 persons presumed dead in railway accident, Dugald, Manitoba.

1. (c)

	Killed	Injured
1946	1,675	30,302
1947	1,734	32,233
1948	1,945	37,642
1949	2,131	43,446
1950	2,163	49,610
1951	2,471	54,314
1952	2,765	57,320
1953	2,949	56,318
1954	2,706	}not
1955	2,869	
1956	not available	}available

(d)

1946	51	12
1947	41	48
1948	81	55
1949	110	42
1950	61	24
1951	93	57
1952	112	71
1953	134	32
1954	135	50
1955	128	50
1956	not available	not available

2. (a), (b), (c), (d). This information is not available.

**PACIFIC SALMON FISHERIES
CONVENTION BILL**

SECOND READING

Hon. Thomas Reid moved the second reading of Bill 180, an Act to implement a Convention between Canada and the United States of America for the protection, preservation and extension of the Sockeye Salmon Fisheries in the Fraser River System, signed at Washington on the 26th day of May, 1930, and a Protocol thereto signed at Ottawa on the 28th day of December, 1956.

He said: Honourable senators, in rising to speak on the second reading of Bill 180, may I first of all personally extend to the Honourable Leader of the government (Hon. Mr. Macdonald) and other honourable senators my sincere thanks for helping to expedite

this bill this evening. There is a great urgency to have the bill passed as quickly as possible, owing to the fact that those—of whom I am one—who will have the responsibility of carrying out the provisions of the act are awaiting the passing of this bill before we can commence our duties. Since a species of Pink salmon known as a two-year fish will have a big run this year, and there will be none next year, we feel that we should get to work and carry out the duties provided by the treaty as quickly as possible in order to have time to lay out the proper regulations to govern the same.

In speaking to this bill I have decided, first of all, to lay certain groundwork. An examination of the bill will show that its purpose is to extend the Sockeye Salmon Treaty to cover Pink salmon.

I believe honourable senators will be interested if I first of all take a few minutes to explain the kinds and varieties of salmon in the Fraser River. Even out in British Columbia we have some difficulty in making clear to our people that salmon is not just one kind of fish and that the water in the rivers is not all alike.

There are five species of commercial salmon in the Fraser River, and each of the species has a different life and characteristics from the others. Most people look upon a river or a lake and think that all water is the same. However, it has been discovered over long years of investigation that most large bodies of water contain minute particles of food called plankton, upon which fish live. Some waters are devoid of plankton, while other waters have a great deal of it. The water temperature also is important.

The five known varieties of salmon are Spring, Coho, Chum, Pink and Sockeye. The life span of one species, such as the Pink, from the time they are born until they return to spawn again, is two years. The variety known as Chum has a life span of three years, the Sockeye four years, and the Spring five years.

All these fish have entirely different characteristics. Many people who know about one variety of salmon think the others are all the same species. I would like to take a few minutes to tell you the interesting story about the characteristics of the Sockeye and the Pink, the two varieties of salmon which are dealt with in the bill now before the Senate.

Many questions remain unanswered, but since the International Pacific Salmon Fisheries Commission was set up, in 1937, there has been an ample supply of funds forthcoming from both the Canadian Government and the United States Government to provide for a competent staff. I believe I can say

without successful contradiction that the commission of which I speak knows more about the species and characteristics of the Sockeye salmon than any other body or association on the North American continent.

The Sockeye salmon is most valuable when canned. In the early days when I came to Ottawa I heard a good deal about the Gaspé salmon, and of course the people from Gaspé had heard about Sockeye. The Gaspé salmon does not lend itself to canning as does the Sockeye; but the Spring salmon is, I believe, equal to any other specie caught in any waters. The Sockeye is peculiarly red in colour and full of fat; whereas the Pink and other varieties are somewhat pale in colour, but are just as nutritive. Indeed, the pale species of Pink salmon is equally as wholesome as the Sockeye. For the information of housewives who may hear of my words, I may say the Pink salmon is much cheaper but equal in food value to the Sockeye.

The Sockeye have a peculiarity not known to other fish, namely, that they lay their eggs in exactly the same gravel bed from whence they were born or came. If they are blocked on the way and are unable to go to that spot they will die with their eggs inside of them. Each female fish has in her body between 3,000 and 4,000 eggs. Nature is very kind, for we now know that the mortality between the gravel bed and the spawning place is about 80 per cent.

Hon. Mr. Euler: May I ask my friend a question?

Hon. Mr. Reid: Yes.

Hon. Mr. Euler: My friend's information about the life cycle of the various species of salmon being two, three, four and five years is most interesting. I was just wondering if these species remain inviolate from each other, or whether they become mixed up and their characteristics change to the point where some have a life span of two and a half years or perhaps six years.

Hon. Mr. Reid: No, that is not so. For perhaps a million years back these species of fish have remained entirely separate and have not mixed their characteristics with other species. Honourable senators will appreciate what I have been trying to convey when I outline the characteristics of the other species. However, may I deal first with the Sockeye?

The Sockeye will lay its eggs only in the gravel bed from whence it came. In our research we have discovered that it does not vary more than five or six days in the time of its leaving the ocean, perhaps some 400 miles out, to head back to the spawning beds. We have also found out with respect to the

little fingerlings that in a period of 20 years or more the time of their leaving the lakes has not varied more than two or three days, so exact is their timing.

The Sockeye when it commences its return to the spawning bed ceases to eat when it touches the brackish waters of the Fraser River. The most valuable of that species is the variety that travels 850 miles from the mouth of the river to the interior of British Columbia. They fight their way through many rivers and lakes, and through Hells Gate canyon, a sight worth seeing, especially since we have built the great fishways which enable the fish to pass. While one group goes up 850 miles, another goes 600 miles, and still another 400 miles, all are headed for their separate places. As I pointed out, the salmon in its journey to the interior ceases to feed and must live on its fat. It can be readily appreciated that those fish which travel the greatest distance without eating have the most fat and are perhaps the most valuable in the can.

The Pink salmon is entirely different. Shortly after it is born it heads for the sea. It will lay its eggs in many streams or rivers, while the Sockeye lays its eggs only in rivers which flow into or out of a lake. In that way, the Sockeye fingerlings upon birth immediately move up or down into a lake and stay there one year to 18 months before heading out to sea. The Pink salmon, on the other hand, upon leaving the gravel bars almost immediately head for the ocean. These two species are therefore strikingly different in their characteristics.

Hon. Mr. Macdonald: What would be the weight of these fish?

Hon. Mr. Reid: The weight of the Pink salmon runs from 4 to 5 pounds, and the sockeye from $6\frac{1}{2}$ to 9 pounds.

Another characteristic of the two species is when they touch the fresh waters of the Fraser they begin to change. Out in the gulf where nets catch great quantities of these fish, no one can tell by observation which is male and which is female; but as they head up the river towards the spawning beds they begin to change. The snout of the male of the Pink salmon begins to turn up, and by the time they are just above the city of New Westminster the male fish is easily discernible from the female by its extended teeth and turned-up nose. Indeed, it gets a very ugly look. Besides, both Sockeye and Pink salmon turn red in colour as they near the spawning beds. But, as I say, out in the open water you could not tell the male from the female, unless you caught a fish, opened it and found eggs inside.

As I said earlier, honourable senators, we have not yet found all the answers in our scientific research, but since 1937 we have reached the point where, for instance, by examining the scales of a fish before it reaches the Fraser River we can pretty well tell—much as a forester would know from the rings on a tree its age and history—the number of months that the fish has lived in fresh water, the number of years or months it lived in salt water, its age and even the river or district to which it is going. It is a wonderful study, and we are very proud of the results.

Hon. Mr. Horner: May I ask whether all these varieties of salmon start up the river at the same time?

Hon. Mr. Reid: No, they all go up at different times. The Pink salmon comes in at a later season than does the Sockeye.

May I turn now to the treaty. One could spend a good deal more time discussing the life of the salmon, but perhaps what I have already told you will maintain your interest until I am through with a discussion of the bill. It has been asked over and over again why, if the salmon are born in the Fraser River, is it necessary to have a treaty with the United States? Well, the answer is very simple. We are on the hatching end, but the salmon returning to the Fraser River come through American waters. In effect we are on the rearing end and the Americans are on the catching end, and so to develop the salmon efficiently both countries have to cooperate in order to rehabilitate this great run of salmon.

On the International Pacific Fisheries Commission there are six commissioners, three Americans and three Canadians. I have the honour, and I am proud of it, to be the only member of the original commission appointed in 1937.

Hon. Mr. Macdonald: Good.

Hon. Senators: Hear, hear.

Hon. Mr. Reid: I am taking the opportunity of saying this because so many people have the idea that few, if any, will render public service unless paid for it. The commissioners are not paid. We are doing a service, and I am very proud indeed to have contributed my services to the development of this great industry.

Hon. Senators: Hear, hear.

Hon. Mr. Reid: In the year 1913, when the Canadian Northern Railway, now the Canadian National, was building its line through Hells Gate Canyon, where the waters of the Fraser flow into a gorge some 90 feet or so in width and more than 100 feet in depth,

the contractors thought that no damage would result from blasting the rock into the river. In building the roadbed, therefore, for the railway they dynamited thousands of tons of rock down into the river bed. That year the salmon did not get through.

I will try to give some idea of the large quantities of salmon in the Fraser, and I am sure many of you from the east will be amazed by the figures. I am going to invite some of you to come out west this year and see the run of salmon. In 1954 we put on a gala day in the interior and were able to show visitors a million and a half Sockeye salmon in a mile or so of river. In fact, you could almost walk across on their backs. It was one of the greatest sights to be seen anywhere.

Hon. Mr. Aseltine: What year was that?

Hon. Mr. Reid: 1954.

In that year one of the towns put on a great gala day and thousands of visitors came from far and near to see this great sight, to see the tremendous number of salmon in a mile and a quarter or so of the river. They were counted scientifically by our staff—one and a half million Sockeye salmon, all red, all spawning. And may I point out that after the salmon lay their eggs they die within a day or two.

Hon. Mr. Turgeon: In what month of the year would that be?

Hon. Mr. Reid: In September.

Hon. Mr. Horner: Was that sight that you speak of at a fish ladder or at the spawning beds?

Hon. Mr. Reid: At the spawning beds.

In 1913, when the disaster created by the rock in the canyon took place, there were canned 2,392,000 cases of 48 tins to a case—not by Canadians alone, but including what the Americans caught of the Sockeye salmon going up the Fraser river. And it was estimated that some 10 million Sockeye perished at Hells Gate Canyon in 1913. That seems a staggering figure, but I believe it is correct.

The Government knew there was a block, and an attempt was made the following year to undo some of the damage by having the contractors remove some of the rock from the river, but still the block continued. The fourth year, 1917, should have been a big year—the Sockeye being a four-year-cycle fish—but it was not. May I point out that we do not believe that we will ever be able to get a big year every year. Nature has a plan of her own, and we find that a big year is followed by smaller years, and then there is a return to a big year. You will find that also among animals and birds. In the salmon

fisheries, although it would be desirable to have a large year every year, we cannot overcome what nature has been doing over a very long period of time. Why? Well, we have not got the answer yet.

It was not until the International Commission took over that we discovered why, after the disaster of 1913, the Sockeye could not get through, except in certain years. Now, if the salmon are delayed longer than 11 days or so they may never reach the spawning beds above. Bear in mind, they still have hundreds of miles to go after they pass Hells Gate Canyon, and if delayed more than 11 days or so they will never reach the spawning bed, and even if they do they will be too weak to reproduce their species. As I said, it was not until the Commission took charge, under the treaty passed in 1937, that we discovered the reason for the block. After some years of research we found that when the water in Hells Gate Canyon reached a level of 140 feet the salmon had no difficulty going through those raging waters—and I might say the water travels through there at the rate of about 25 miles an hour. But when the water rose up, foot by foot, to 150 feet, it was just the same as if you had placed an iron gate right across the canyon. Nothing went through. If you looked at the water going through at the 145-foot level you could not see much change from conditions as they were at the 140-foot level, nor indeed could you see much difference when the water was going through at the 150-foot level, but the fish knew and felt the difference. We discovered that the fish did not require any assistance to go through if the water level was no higher than 140 in the canyon, but when it rose to between 140 and 150 no fish of any species or variety passed through Hells Gate Canyon. So we set to work to put in fishways—not fish ladders, but fishways. I suppose if anyone was up there at times and looked at those fishways they might wonder if the people who put them there were not crazy; sometimes the fishways look as if they were up in the air, for the water may be away down, but the next time you went there you might not see the fishways at all because the water covered the top of them. And so, depending on the date of your visit, you might wonder if those who put them there knew what they were doing. I might say the fishways cost us \$1 million, 50 per cent of which was paid by the United States and 50 per cent by Canada.

We have these fishways placed to carry the fish through at depths between 140 and 150 feet, so that when they come there and the water is 145 in depth or more they can easily go through the fishways. These fishways are built with baffles, which cut down

the speed or rate of flow of the water from 25 miles an hour to around 7 miles an hour, enabling the fish to go from baffle to baffle and so get around Hells Gate Canyon and so on their way to spawn. When the treaty was passed, and for eight years afterwards, regulation of the fishery was not permitted. In 1945 we built the fishways, and from 1946 until the present time their benefits have been great and increasing, and we hope that before too long the yield of Sockeye salmon will be restored to what it was in 1913.

I do not intend to weary honourable senators with figures, but may I point out that in the four-year cycle 1951-54 the number of Sockeye taken was some 18 million, and this was but 56 per cent of the catch in the years 1910-13. However, if nothing untoward occurs, if no dams are built—I shall speak of that matter in a moment—it is expected that the runs in the Fraser will be as great as they were 44 years ago.

Two duties devolve upon the International Commission. One is rehabilitation; the second is the obligation to divide the catch of Sockeye, as far as practicable, equally between the United States and Canada. The Commission has the benefit of the services of some first-rate scientists.

Our director in charge, Dr. Royal, is perhaps the ablest on the continent, and the result of the work has been wonderful. The officials are required to estimate the quantity of fish away out at sea where American fishermen have been operating with their fleet, and to decide when their fishing activity shall be cut off so as to allow Canadians to have their share. Our estimate as between the two countries has been accurate indeed, and within one-half of one per cent. I think that that achievement, covering the cycle 1951-54, is a remarkable one. Of the Sockeye salmon heading from the ocean to the Fraser River, United States fishermen got 49.8 per cent, and the Canadians received 50.2 per cent. It can be safely said, I think, that the confidence enjoyed by the commission is a result of such achievements. It was the request by fishermen on both sides of the line that if Pink salmon were included in the terms of a treaty the jurisdiction should be vested in the Sockeye Salmon commission. That in itself says a great deal for the commission.

A word or two now as to the place of Pink salmon in the bill. This bill is practically the same as the one which was passed in 1937, but instead of introducing a new treaty between the United States and Canada the responsibilities of the commission have

been extended to include Pink salmon. I have pointed out that the two species—Sockeye and Pink—are entirely different. I will not take up a great deal more time in explanation, but briefly, the Pink salmon is a two-year fish, whereas the Sockeye is a four-year fish. When the Pink salmon comes out of the gravel, unlike the Sockeye, which remains in the lake for a year or 18 months, it heads to sea. It does not come in every year. I cannot tell you why; we will try to find out. It comes in in the odd years. Thus, 1957 is the year of the big run for Pink salmon, whereas the Sockeye comes in every year. In the Fraser this year there will be a big run of Pink salmon, but up in the north none of the same species will be fished. Next year the north will have runs, whereas the Fraser will have none.

Hon. Mr. Aseltine: That is a sort of 50-50 affair.

Hon. Mr. Reid: In one respect, but not in another, because the run of Pink salmon is not as great in the north as in the Fraser.

Hon. Mr. Aseltine: Will the honourable gentleman explain something to me? Last August I went fishing in Campbell River, British Columbia, for tye salmon and was fortunate enough to catch one which weighed 47½ pounds. To what species did it belong? I joined the Tye Club, and the fish was called a Tye. But what kind of salmon is that, and how often does it spawn?

Hon. Mr. Reid: It is one of the five varieties which I mentioned at the beginning, namely Spring, Cohoe, Chum, Pink and Sockeye. "Tye" is an Indian name. The Spring salmon is a five-year fish. That is the type you caught.

Hon. Mr. Aseltine: They call it the tye or King salmon.

Hon. Mr. Reid: "King" is an American name. Some of their names differ from ours. "King" is one.

Hon. Mr. Aseltine: "Tye" means "Chief", does it not?

Hon. Mr. Reid: Yes, it is the Indian name for "Chief". Across the line it is called "King". It is a high-falutin' name, in general use there. The weight of the Pink salmon is from four to five pounds. For 60 years the Pink salmon was disregarded. It was not until 1917, during World War I, that a demand rose for it, and fishermen began to catch the Pink salmon, which formerly went to waste. These salmon were there in teeming millions in far greater number than the Sockeye in the early days, but most of them were wiped out in the Hells Gate disaster

of 1913. In 1917 the Americans, chiefly for war purposes, packed 15 million cases of Pink salmon, as compared with 1,876,000 cases packed in Canada. I think the United States required most of this salmon for their troops during the war years.

I trust honourable senators will be patient with me while I deal with my last point. The picture looks very bright in so far as the great salmon industry of the Fraser is concerned. The International Pacific Salmon Fisheries Commission has done a wonderful job with the Sockeye, and this legislation will place the Pink salmon under the jurisdiction of this commission. If nothing goes wrong we feel that before long the Sockeye salmon industry will be worth \$50 million a year, while the Pink salmon industry will be worth \$75 million to \$100 million every two years. However, there are many difficulties facing us and we are deeply concerned about the efforts being made by certain interests to construct hydro-electric dams on the Fraser River. No doubt honourable members have read that a high-level meeting is being held in Ottawa, the purpose of which is to map out a program for hydro-electric power development on the Columbia River. I hope that a speedy settlement will be reached by the dominion Government with regard to the Columbia River problem, for research work carried on by our scientists and engineers has disclosed that development of the Columbia will alleviate any necessity for building dams on the Fraser River for perhaps 20 to 25 years.

The United States once enjoyed a great fishing industry on the Columbia, but the building of dams resulted in a continual dwindling of the industry despite the expenditure of millions of dollars by the American Government to keep the industry alive. These dams will ultimately result in the salmon being wiped out. It is true the Americans built fishways at the Bonneville Dam, but there are no Sockeye salmon going over these fishways. The Americans have no Sockeye salmon now on the Columbia River, their chief species being the Spring salmon or the Tyee.

The danger to our Sockeye salmon industry comes from selfish interests. One of these is an American interest which has hired two propagandists who spread untruths throughout British Columbia regarding dams and fish. They have been making misleading statements to the effect that the building of dams will not destroy the salmon of the Fraser River. The International Pacific Salmon Fisheries Commission has been in close contact with such countries as the

United States, Norway, Italy, Germany, and Scotland in an effort to ascertain what progress those countries have made in their efforts to successfully put fish over dams. During the past six or seven years the commission has spent considerable sums of money in this same type of research but no answer has yet been found for saving the salmon on the Fraser River if dams are built there. Neither is there any answer to bringing the fingerlings down over the dams. Research work done at a 280-foot dam in the United States—the Baker Dam—disclosed a loss of 56 per cent in the Sockeye fingerlings going over the dam on their way to sea. Those that did not try to go over the dam but attempted to go through the turbines suffered a mortality rate of 34 per cent. A fishery could never be maintained with that kind of mortality rate.

Honourable senators, the Bonneville Dam is practically the only place where we can get any real information about the success of fish going up over a dam or coming down over it. The highest number that can go through that fishway, however, is only 100,000 per day.

As I said before, these are not Sockeye salmon but Spring salmon. That is the only variety that attempt to go up the fishway, which is really a fish ladder with steps going up from the bottom to about the top of the dam. In any event, the results at the Bonneville Dam cannot be applied to the Fraser River. There is no comparison. In 1954 some one million Sockeye salmon passed through Hells Gate fishways in one day. In the light of this, just think of these American interests who would like to build a 730-foot dam with a lake stretching for 150 miles beyond.

We are hopeful, as I said before, that the Canadian Government will come to a speedy agreement with the American authorities with regard to the water power development on the Columbia River. Over 2½ million horsepower can be developed on the Mica Dam on the Columbia River, where there is no salmon to be concerned about. We would like them to go ahead and develop hydro-electric power at those sites on the Columbia and leave the Fraser free to the salmon fishing industry.

The preliminary report of the Gordon Royal Commission on Canada's Economic Prospects points out that by 1980, between two-thirds and three-quarters of a greatly increased total of power will be supplied by petroleum and natural gas. That statement has

a bearing on the salmon industry, as has the following one, taken from page 56 of the report:

Under these circumstances one possibility is to try, by low rates, to induce one of the relatively few industries that use very large amounts of power and for which power costs are therefore a very important factor, to locate in the area.

The inhabitants of the interior of British Columbia around the Columbia River are somewhat enthusiastic about the stories that the development of the Mica Dam on the Columbia River will bring in new industries and create new towns and cities. Well, in British Columbia we have a large industry called Alcan. It is a subsidiary of Aluminium Limited, and the control of that company is held in the United States, 80 per cent of the shares being held by Alcoa. Aluminium Limited, the parent of Alcan, was able to get a large block of power in the Nechako River.

The point I wish to impress upon honourable senators is that in the whole of British Columbia the power in existence at the present time is around 1,130,000 horsepower, and that is providing employment for approximately 800,000 persons, both men and women. That power is lighting all the homes and factories and motivating all the machinery in British Columbia at the present time. However, I doubt if when the 1,750,000 horsepower is finally developed by Alcan it will provide employment for more than 10,000 persons. I trust honourable senators grasp the point I am trying to make, namely, that it is one thing to develop large blocks of power, but it is another thing to see that the power is developed where it will give the maximum employment. We maintain that if large blocks of power in the interior are handed out for the manufacture of more aluminum, or metal of that kind, it will not provide the great employment and build the cities envisioned by the promoters of the schemes.

It strikes me very forcibly, in reading this report, that when the Gordon Commission was in British Columbia quite a number of briefs were presented by the fishermen and the fishing companies in regard to salmon in the Fraser River and the dangers of power, yet in the whole of the Commission's preliminary report there is not one word regarding the fisheries. And it is interesting to note that the B. C. Electric, with the aid of funds from the federal Government, are making test holes at the proposed 750-foot Moran Dam site, which if built will completely wipe out the great salmon fisheries we have in the Fraser River—the Pink, the Sockeye, and all the other varieties—and will affect thousands of sportsmen as well, because it is not generally known that once the Sockeye disappear most of the sport fish will also be lost. In my

travels through the interior I discovered that very few sports fishermen realize that but for Sockeye salmon with their eggs, which are frequently gobbled up by sports fish, and the little fingerlings, sport fishing would not be very good, if existing at all in the interior waters.

In British Columbia our commission is faced with this black cloud of selfish interests, sending around highly paid officials, making speeches, holding meetings and generally making many untruthful statements about salmon. I have suggested that these men come to an open meeting so that the public could hear both sides. Let these officials tell their tales in front of the public where we can tell our story and repudiate all the misleading statements and false propaganda about the salmon on the Fraser River. They aim to "put it over" the public so they can be allowed to proceed with the building of these dams.

Honourable senators, while the dominion Government has some say with regard to the Columbia River, it has nothing to say with regard to the Fraser River. The Columbia is an international river, and therefore the dominion Government is brought into the picture. The Fraser is entirely a provincial river. Although the Premier of British Columbia has said that the fishing interests must be satisfied, nevertheless, he might grant a license for the proposed Moran Dam. I am wondering what his thinking is when he reads about these men saying the fish problem has been solved. That is what they are telling the public, and nothing is farther from the truth. Are we to wait until one dam is built, and then find the salmon is wiped out, before we protest? We are protesting now. We say that in spite of \$3 million spent across the line, and half a million dollars here last year, not by the commission alone but by the Department of Fisheries and others, to find ways and means to bring the fingerlings down, either by electrical contact or by some other method, and, on the other hand, to find a method of taking the salmon successfully over the dams, we have so far not been able to solve the problem of how to preserve the Sockeye salmon fishery if a dam is proceeded with. Indeed, no one has solved it.

Hon. Mr. Euler: May I ask the senator another question? First of all, does he say that the Fraser River is entirely within Canada?

Hon. Mr. Reid: Yes.

Hon. Mr. Euler: That being so, why must we share the product with the United States?

Hon. Mr. Reid: Well, the Fraser River is entirely in British Columbia; it rises in that province and keeps within it. All matters within the province are the right and prerogative of the provincial Government. The Columbia River, however, rises in British Columbia and flows into the United States.

Hon. Mr. Euler: I realize that. I am speaking of the Fraser River, which is entirely in Canada, and that is where the fish are caught. That being so, why do they have to share with the United States, which has no interest in the Fraser?

Hon. Mr. Reid: I am glad that the honourable gentleman asked that question, and I shall be glad to answer it, for it will give me a chance to reiterate what I have already said. I pointed out the reason for the treaty was that, although the salmon were born or reared in Canada all the salmon coming back from the sea to the Fraser River go out through American Waters.

Hon. Mr. Euler: Where?

Hon. Mr. Reid: In the Strait of Juan de Fuca. That is the reason why for many years we could not get a treaty. Many people have asked me why, if the salmon belong to the Fraser River, we give 50 per cent to the Americans. The answer is that we are obliged to because they are on the catching end, and they could catch all they wanted to if they were not restricted by the rules and regulations laid down by our commission. I am greatly perturbed, as are the commission and a great many people in British Columbia, but I am more alarmed by not knowing what the provincial Government may do, and I hope that a settlement will soon be arrived at on the Columbia between the United States and Canada. I am particularly worried also about the B. C. Electric Company, because I think I could prove that they have the ear of all the newspapers around Vancouver and are very powerful. They have I believe one group of 16 men in British Columbia who do nothing else but go around and try to promote propaganda on behalf of that company.

Hon. Mr. Horner: Are they not thinking of atomic power?

Hon. Mr. Reid: Well, they have mentioned atomic power. The Gordon Commission does not say very much about atomic power, and it might be a great number of years before it can be used. However, they do point out that gas and petroleum could very well be used.

I come now to the bill. I apologize for the time I have taken in discussing the

background of this question, but I trust it has been of interest to honourable senators.

The purpose of the bill is set out in its full title:

An Act to implement a Convention between Canada and the United States of America for the protection, preservation and extension of the Sockeye Salmon Fisheries in the Fraser River System, signed at Washington on the 26th day of May, 1930.

May I say that although the treaty was approved in 1930 by the Parliament of Canada and by the Congress of the United States, it did not become law until seven years later, the President having refused to sign it. So, it was not until 1937 that the commission to which I referred was set up.

The explanatory note to the bill contains these words:

The convention, which initially covered only Sockeye salmon in the Fraser River-Juan de Fuca Strait area, was amended by a protocol signed at Ottawa on the 28th day of December, 1956, to include also Pink salmon in the same area. This necessitates the amendment of the Sockeye Salmon Fisheries Convention Act, the revision of which takes the form of more recent implementing legislation for international fishery conventions to which Canada is a party.

This bill introduces very few changes into the act of 1937, except to include Pink salmon in the Sockeye Salmon treaty.

May I say again how much I appreciate the attention I have received, and the opportunity of placing this bill before the house this evening.

Hon. Senators: Hear, hear.

Hon. W. Ross Macdonald: Honourable senators, I wish to compliment the honourable senator from New Westminster (Hon. Mr. Reid) on the very excellent address he has delivered. His remarks were most informative and interesting to all of us.

In particular I wish to refer to one observation he made. If I understood him correctly, he said something to the effect that one of the members of the Royal Commission on Canada's Economic Prospects, known as the Gordon Commission, had some personal interest in one of the matters to be reported on by the commission.

Hon. Mr. Reid: I suggested that one of the members of the Gordon Commission has an interest in the dams on the Fraser River.

Hon. Mr. Macdonald: I would point out to my honourable friend that it is not considered parliamentary to make such a statement. I would have stopped him when he was discussing the matter, but I was not sure that I understood what he had said. I would also remind him that the Gordon Commission is still sitting, and in the circumstances it would be as unparliamentary

to reflect on the conduct of a member of a royal commission as it would be to reflect on the conduct of one of our judges. I rather think my honourable friend might have gone a little too far, and I would ask him to reconsider his remarks.

Hon. Mr. Reid: If in what I said I contravened the rules of the house I will be glad to consider it, because I do not want to be guilty of an infraction of the rules.

Hon. Mr. Horner: Honourable senators, I do not think the honourable senator from New Westminster should feel at all badly about what he has said. The time might come when we have in this country a great number of commissions, covering almost every subject of discussion, and we would have to sit here like mummies without being able to say anything about them.

Hon. Mr. Macdonald: But there is a proper procedure in such circumstances, by way of a motion. I think the honourable senator from Blaine Lake (Hon. Mr. Horner) realizes that we in this house do not say anything that reflects upon the judges in our courts.

Hon. Mr. Horner: I consider a member of a royal commission entirely different from a judge. In this instance I think the honourable leader is quite wrong.

Hon. Mr. Macdonald: As I said before, this commission is still sitting, and I think I am correct in the stand I have taken.

Hon. Mr. Reid: I will look at the report of my remarks.

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

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

Hon. Mr. Reid: Next sitting.

GOVERNMENT PROPERTY TRAFFIC BILL

MOTION FOR THIRD READING—DEBATE CONTINUED

The Senate resumed from Thursday, March 14, the adjourned debate on the motion of Honourable Mr. Connolly (Ottawa West) for the third reading of Bill Y-7, an Act to amend the Government Property Traffic Act.

Hon. Arthur W. Roebuck: Honourable senators, may I commence my remarks by paying a compliment to the senator from

New Westminster (Hon. Mr. Reid) for the most interesting and informative address, and to say that it will be impossible for me in what I have to say to equal in any degree the human interest of the subject with which he so ably dealt.

Honourable senators will remember that on Thursday last, after the honourable senator from Ottawa West (Hon. John J. Connolly) had moved third reading of the measure, the honourable senator from Toronto-Spadina (Hon. Mr. Croll) raised a point as to whether or not the bill interfered with the rights, privileges and immunities of senators and other members of Parliament. There was no answer possible to be given to the question raised at that time; the question was something new. While the measure had been most capably explained by the honourable senator from Ottawa West, that particular question had not arisen and was not dealt with by him. I felt it would be unfortunate to allow the bill to pass under a cloud of doubt, which had been raised by the senator from Toronto-Spadina (Hon. Mr. Croll), and so I moved adjournment of the debate, on the understanding, I think, of all senators that I would deal with the question of the rights of senators and other members of Parliament under this bill.

In addressing oneself to a legal problem of this kind it is always advisable to have clearly in mind the subject about which we are talking. I think that is a good principle in life as well as in law. So, let me refer honourable senators to this act to be amended, which is Chapter 324 of the Revised Statute of Canada, 1952, Volume V, page 5775. The vital section in the act which we are seeking to amend reads as follows:

2. (1) The Governor in Council may make regulations for the control of traffic upon any lands belonging to or occupied by Her Majesty in right of Canada, and in particular, but without restricting the generality of the foregoing, may make regulations

- (a) regulating the speed and parking of vehicles and prescribing routes of travel;
- (b) respecting one-way traffic obstruction of traffic, and pedestrian traffic;
- (c) for directing traffic and erecting signs;
- (d) prohibiting traffic by such vehicles at such times, in such places and in such circumstances as may be prescribed in the regulations;
- (e) prohibiting unnecessary noise in the vicinity of buildings;
- (f) authorizing officers to enforce the regulations; and—

I call particular attention to the following paragraph:

- (g) prescribing a fine not exceeding fifty dollars or a term of imprisonment not exceeding two months, or both fine and a term of imprisonment, to be imposed upon summary conviction as a penalty for violation of any regulation.

The balance of the act regulates the liability of the owner, does not relieve the operator from liability, and so on.

As I remember the circumstances under which the act was passed, a magistrate in a police court had held that the Royal Canadian Mounted Police had no power to regulate traffic on the grounds around this building. The magistrate, I understand, dismissed the charge of a traffic infraction alleged to have been committed on Parliament Hill because of the lack of jurisdiction by the dominion police or of our protective staff. Under the circumstances there was no right to reserve parking places for senators, members of the cabinet and members of the House of Commons; and the speed of cars could not be restricted in this area. And so this act was passed. Under it there has been a certain control over traffic in the vicinity of this building since 1952. Now, this amending bill is for the purpose, as the explanatory note says, of bringing the penalties, which I have just read and called to your special attention into line with similar provisions of provincial law regarding traffic. The amendment authorizes the Governor in Council to make regulations:

prescribing a fine not exceeding five hundred dollars or a term of imprisonment not exceeding six months,

That is, an increase in the maximum fine from \$50 to \$500.

or both such fine and term of imprisonment, to be imposed upon summary conviction as a penalty for violation of any regulation, providing for the voluntary payment of fines and for prohibiting persons who have violated any regulation from driving a vehicle on such lands for any period not exceeding one year.

In substance it merely changes the amount of the fine and the length of the term of imprisonment for violations of the regulations with regard to the operation of motor vehicles in the vicinity of this house. That is the main substance of the bill.

Now, the question raised was: Does that interfere with the rights, immunities and privileges of members of Parliament? That raises some very nice questions, and it seems to me it might be of service if I give some general information with regard to the rights of Parliament, both its rights as a body and also the rights of individual members of Parliament. You will find, honourable senators, the basis upon which our rights exist in the British North America Act, section 18, which reads as follows:

The privileges, immunities, and powers to be held, enjoyed and exercised by the Senate and by the House of Commons, and by the members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that any Act of the Parliament of Canada defining such privileges, immunities, and

powers shall not confer any privileges, immunities, or powers, exceeding those at the passing of such Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the members thereof.

That is the basis of our Parliamentary rights and privileges. And acting under the power contained in the British North America Act we have passed an Act respecting the Senate and the House of Commons to be cited as the Senate and the House of Commons Act. I draw your attention to section 4 of that Act which you will find in the Revised Statutes of Canada, 1952, volume 4, chapter 249. It reads:

4. The Senate and the House of Commons respectively, and the members thereof respectively, shall hold, enjoy and exercise,

(a) such and the like privileges, immunities and powers as, at the time of the passing of the British North America Act 1867, were held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom, and by the members thereof, so far as the same are consistent with and not repugnant to the said Act; and

(b) such privileges, immunities and powers as are from time to time defined by Act of the Parliament of Canada, not exceeding those at the time of the passing of such Act held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom and by the members thereof respectively.

5. Such privileges, immunities and powers are part of the general and public law of Canada and it is not necessary to plead the same, but the same shall, in all courts in Canada, and by and before all judges, be taken notice of judicially.

So, you see, we have read into our general law of Canada the rights, immunities and so forth enjoyed by the members of the Commons House of Parliament of Great Britain as of the year 1867.

Now, what are they? I may say to you that it is by no means easy to determine what they are. I can tell you some of the things they are not, but to make a comprehensive study and digest of what they are is a much more difficult process. But I will have some conclusions to make after I read some of the authorities on the question. Our great Parliamentary authority in Canada is Beauchesne, and I read from Beauchesne's *Parliamentary Rules and Forms*, Third Edition 1943 section 183, at page 79. I read this because it gives some knowledge upon which one can understand the situation as it now exists. Most of such rights are the product of history, and unless one knows something of the history of the subject-matter it is difficult indeed to clearly grasp the situation as it now exists. So I read section 183:

The privileges of Parliament were first demanded as a protection against outside interference. Members insisted on freedom from arrest for themselves and their servants during the session and forty days before its commencement and after its conclusion. The origin of that privilege has been traced back to the Saxon rule; but freedom from arrest at no time in the history of the English

house, protected members from the consequence of treason, felony or breach of peace. In 1404, it was made a high contempt of Parliament to assault a member of either house or his menial servant, and Henry VI ordained that the penalty for assaulting any Lord or Commoner attending Parliament should be double damages to the party, with fine and ransom to the King. In 1512, an Act was passed providing that all suits, acusements, condemnations, executions, fines, amendments, corrections, grievances, charges and impositions put or had, or hereafter to be put or had on to members of Parliament, shall be utterly void and of no effect. Later in the sixteenth century the House of Commons took upon itself, without the sanction of any legal ordinance or enactment, to be the sole judge of its own causes.

Honourable senators may recall that there was a long struggle in England between the church courts and the common courts, because the ecclesiastical courts claimed the right to try members of the clergy and to hold them immune from trial in the common courts. Much the same line was followed by Parliament in assuming the right to try its members before its own courts, and to exempt them from trial in the ordinary courts.

Section 183 continues:

Until 1701, members arrogated to themselves the right not to be sued before Courts of Justice during the duration of Parliament, but in that year, a Bill was enacted providing that suits might be brought against peers and members during the intervals of Parliament, after dissolution, and after any adjournment for more than fourteen days. In 1764, an Act was passed providing that if any member committed an act of bankruptcy, his creditor might proceed against him in like manner as against other bankrupts, any privilege of the Parliament to the contrary notwithstanding.

The extensive rights and privileges enjoyed were then, year by year, being whittled down.

The immunity enjoyed by servants was discontinued by the Act of 1701. In 1772, the claim of the House to constitute itself a tribunal for the trial of private injuries done to its members was abandoned. In 1764, the law disqualified bankrupts from sitting in the Parliament. By the time of the Reform Act of 1832 the only privilege remaining to members beyond the walls of St. Stephen's were freedom from arrest, assault, insult or menace in their coming or going from the house, and inviolability, so far as the outside world was concerned, for their utterances within the Chamber; and these are the only privileges enjoyed today by the Canadian Parliament under section 18 of the B.N.A. Act, which allows the Senate and House of Commons to define by statute their own privileges, provided they shall never exceed those at the passing of such statute possessed by the commons House of Parliament of the United Kingdom.

I refer in passing to another section in Beauchesne's book:

205. Service of a criminal process on a member within the precincts of Parliament, whilst the House is sitting, may be a breach of privilege.

In my opinion it is not, but according to Beauchesne it may be.

209. The committal of a member for any criminal offence is brought before the House by a letter addressed to the Speaker by the committing judge or magistrate. The letter may then be referred to the Committee on Privileges.

It will be seen that, by inference, Beauchesne admits the power of the courts to impose a penalty for a breach of the criminal law.

The authority that I always turn to in general matters of this kind in English law is Halsbury's *Laws of England*. I read, in volume 24, second edition, at page 344, under the heading: "Privileges of Parliament":

695. The House of Lords and the House of Commons, which together constitute the High Court of Parliament, claim for their members, both collectively and individually, certain rights and privileges without which it would be impossible for either House to maintain its independence of action or the dignity of its position.

The author, in a footnote, states:

In the past, both Houses of Parliament have insisted upon privileges which they have now ceased to claim or of which they have been deprived by Act of Parliament, and each House has frequently asserted its privileges in a manner which has led to disputes with the other House. . . . Although the position and extent of parliamentary privilege is difficult to define and its application must depend upon each case as it arises, the result of past cases may be summed up as establishing the following general principles, namely:— (1) that neither House of Parliament, in order to assert its privileges, has the right to do anything or cause anything to be done which is contravention of the law of the land.

That is the situation here. If we pass this act it will be a law of the land, and once Parliament has passed a law it has no power by mere resolution, or in any other way except the repeal of the law, to change the law's application.

It is obviously impossible to give a complete or accurate list of offences which would be considered by either house of Parliament to constitute breaches of its privileges, but such offences may be summed up under the following heads, namely:— (1) Any act of disrespect to the house itself on the part of one of its members or by some person who is not a member; (2) an act of disrespect to, or an assault upon, an individual member of the house, or a reflection upon his character; (3) any interference with the procedure of the house or one of its committees; (4) any interference with an officer of the house, or other person employed by the house, in the performance of his duties; (5) a refusal to obey an order of the house or of one of its committees; or (6) an attempt to induce or procure another person to commit any such act.

That gives in a general way the rights of Parliament itself and of its members. I read again from Halsbury, in the same volume, paragraph 699:

699. Whilst Parliament is sitting, and during the time within which the privilege of Parliament extends, it is claimed by resolutions of both Houses that no peer or member of the House of Commons may be imprisoned or restrained without the order or sentence of the House of Lords or House of Commons, as the case may be, unless it be for treason or felony, or for refusing to give security for the peace. Neither house of Parliament claims, or has ever claimed, freedom from arrest of any of its members who is charged with a criminal offence.

Honourable senators will observe that the act in question is in its nature criminal law; it is the exercise of that power which is given to Parliament in the British North America Act. I say it is, although the honourable Leader of the Government (Hon. Mr. Macdonald) shakes his head. It is in its nature criminal, because it prohibits certain acts and makes them subject to penalty. So although the act is not included in the Criminal Code—and the code is not all-inclusive—in its nature, its substance, its character, it is criminal law; and I can assure honourable members that a violation of this act of 1952 will be followed by the same consequences as a violation of any of the provisions of the Criminal Code or any laws of the kind which prohibit acts which may be deemed contrary to the public interest, and provide penalties.

The only right that now remains to members of Parliament so far as immunity is concerned, is that with regard to civil offences. A member of Parliament is immune from arrest and imprisonment for a civil offence; but while the right remains in English and Canadian law its practical application is gone, for imprisonment for debt has been abolished in Canada. I fancy some may take issue with this statement, but the general principle of imprisonment for debt has been abolished.

It is true that division courts make orders with respect to the payment of money, usually small amounts, and when payment is not made the debtor may be committed to prison. But the theoretical reason for the committal is not the debt but rather the contempt of court in not obeying the order of the court to pay the money. So, to get around that small matter, they make it in effect criminal in the broader sense of that word. Contempt of court is a criminal offence and as such does not confer the immunity to which I have referred.

Some may have in mind the liability of being ordered to pay alimony. You will read of numerous cases in the United States where men are committed to jail for not paying alimony. That may also be possible in Canada, but if that is so the penalty is exacted because of contempt of court rather than because of failure to pay the alimony.

My general conclusion, therefore, is that there is very little left of these rights, immunities and privileges of Parliament except the one to which I will refer, that is complete privilege and immunity for words spoken in Parliament.

I read from Oswald, *Contempt of Court*, at page 186, which refers to Lord Brougham in Wellesley's Case (1831) 2 *Russ. & M.* 639:

Against all civil process privilege protects . . .

It still does against civil processes, but there is no civil process left that I know about that can affect the person of a member of Parliament. Reading again:

Against all civil process privilege protects; but against contempt for not obeying process, if that contempt is in its nature or by its incidence criminal, privilege protects not.

Ever since that decision was given it has been settled law that where there has been contempt of court which, to use an expression of Lord Brougham, savours of criminality, privilege is no protection from arrest; and the rule above stated was recognized and adopted in subsequent cases.

Oswald's conclusion at page 187 is this:

. . . that privilege is no protection where the attachment is ordered wholly or partially by way of punishment, that is to say, where the contempt is criminal or accompanied by circumstances of misconduct.

Since the parking or traffic regulation itself has never been the subject of a particular privilege—these privileges go far back, long before motor vehicles were known of—if there is a privilege it must come within either that class of privilege which is attached to the person of the member or that class of privilege attaching to the body of Parliament as a whole with respect to the management of its internal affairs.

If a member chooses to ignore a summons for a parking offence, a warrant for arrest would be issued, which it seems could be executed even in the house itself. The ignoring of a summons by a member could be treated as contempt, and since the contempt would be criminal rather than civil in nature, the authorities seem to say that the court could attach the person of the member.

Just a few comments in conclusion, which I have noted.

1. This bill does not appear to abridge any privilege which members of Parliament had before the bill was passed. If a parliamentary privilege in respect of any of the matters covered by the Government Property Traffic Act had been abrogated, this would have been accomplished when the legislation was passed in 1952.

2. There is no parliamentary privilege in matters of criminal justice. There is a privilege in "civil" matters. Sometimes the line is hard to draw.

3. In cases of commitment for contempt and in cases of statutory offences the house or a committee thereof must decide in each case if a privilege exists.

4. The claim to resist a subpoena was maintained in former times. Now it is always waived. A subpoena ordering attendance in Court as a witness served upon a member of Parliament in ancient times

did not compel the member to go to court, but not now. The question arises whether a member can be served a subpoena when the house is in session. It may be that the person serving the subpoena should obtain from the Speaker or perhaps the Committee on Orders and Privileges a release of the served member from his duty to attend the sittings of Parliament. The authorities say that such an application is always granted. In modern times any immunity has always been waived. A member of Parliament served with a subpoena to appear as a witness has no immunity, in my judgment, in modern times.

5. Even the service of a subpoena upon a member during the session would not be regarded as a breach of privilege unless effected within the precincts of the house while in session.

There is doubt as to whether a subpoena can be served right within the house itself. So far as I can read the authorities, it can be so served.

Honourable senators, that is the best I have been able to make of it all. The law of parliamentary privilege is very voluminous and difficult to read and understand, but it does seem to me, after a study of the authorities, that the one great privilege which still remains to the member of Parliament is that of serving his fellow countrymen and taking part in the deliberations of Parliament and in the transaction of national business. That is his great privilege. Other privileges, such as immunity from arrest and anything of that kind, are almost altogether illusory.

To return to my proposition, my thought is that if there was any breach of privilege it was when the act was passed in 1952, but in that regard it is no different from any other criminal law, including the entire Criminal Code, in connection with which there is no privilege attaching whatsoever. If any member drives his car at an excessive rate of speed or does any other act prohibited by this traffic act around Parliament Hill, it would be a shame if he could claim privilege.

Hon. Mr. Golding: Hear, hear.

Hon. Mr. Roebuck: And none of us, I take it, desires such a privilege. A member of Parliament had better answer a summons if he receives one. A member's great privilege, let me repeat, is to be a member of Parliament, and to act as such, and while serving the public interest to enjoy the respect which is shown by almost every citizen to a member of Parliament who is doing his work.

Hon. Senators: Hear, hear.

Hon. Jean-François Pouliot: Honourable senators, I have not much to add to what has been said by our honourable colleague from Toronto-Trinity (Hon. Mr. Roebuck) in his well-constructed, learned and logical presentation. My conviction is that the rights and privileges of members of parliament apply not only to the House of Commons but to the members of the Senate as well. The numerous authorities which have been quoted by our honourable and genial friend deserve special attention from all of us. I must include in that tribute the honourable member from Toronto-Spadina (Hon. Mr. Croll), who drew the attention of the Senate to the very same matter which has been masterfully dealt with by the honourable senator from Toronto-Trinity. Here we are together as a body. I have said many times and on numerous occasions what respect I have for my colleagues of the Senate, and the people of Canada share my views with regard to my colleagues individually. But in these times the prestige of the Senate is not the same as it was when I was elected for the first time a member of parliament 33 years ago. Is that because of the indifference that exists with regard to the Senate as a body? I do not know. But our rights, privileges and immunities are encroached upon on so many occasions that I have not the time tonight to recite them all. I can mention one matter, which has existed for years and years, that is, the limitation imposed by a certain group of senators on the use of stationery, which also imposes a limitation on our work as members of the Senate of Canada.

It is very fortunate that today an amendment has been sponsored to Chapter 324 of the Revised Statutes of Canada, an Act for the control of traffic on Government property, in order to discuss the principle of this very important matter. We have so much legislation that it may happen that a piece of legislation is overlooked by us. We do not always have the time to look at each bill with a magnifying glass; and besides that, it happens also that some members say: "What is the use of discussing the matter? It has no importance." But what do we mean by rights, privileges and immunities of the members of either house of Parliament? It means that Parliament shall be respected by the Canadian people at large, and shall be respected especially by those who are appointed to have the law respected in this land. I agree with all that has been said by the honourable senators from Toronto-Spadina and Toronto-Trinity. Theirs was not only the voice of two individuals; it was more than the voice of the Senate; it was the voice of Parliament. Those honourable gentlemen have defended the very rights of Parliament in this house.

I cannot understand why some senators may say it is a minor matter, a minor

encroachment, or of no importance whether a constable who is appointed to defend Parliament takes upon himself in virtue of an act of Parliament the liberty to arrest or to penalize any senator who comes here to fulfil his duty according to the wish of the people of the land. In the House of Commons the members of Parliament, representing, first, the people of their constituencies who have elected them, have a duty to those people. At the same time, as Burke said at Bristol, they represent the country at large. We senators here represent not only our divisions, in the first place, but we represent the country at large, because the laws which are enacted by Parliament apply to every man, woman and child in the country. That is the very reason why my honourable colleagues who have spoken on this matter, along the same lines that I do now, have rendered a most valuable service to the Senate, to the House of Commons, to Parliament, and to the country, but preaching here the respect of our own institutions. In these days, when so much talk is heard about freedom—fundamental freedom, rights of the individual, rights of scoundrels—the rights of Parliament should be defended to the limit.

I hope that honourable senators are not surprised to find my language so strong, because my feelings should be theirs. We are here to render a service. We are not here to be sheep, we are not here to be rubber stamps, we are not here to be office boys, we are not here to do anything but enact legislation that shall be useful to the people of Canada. It is a notable duty that we have, and it should not be underrated. The Senate has a function to perform, to fulfil, in this country. My honourable friends from Toronto-Spadina and Toronto-Trinity have done very well.

This is my sincere opinion about the matter. Wherever a bill comes from, and no matter who sponsors it, we have the right to scrutinize it, and we are defending the rights of the Canadian people by defending ourselves.

Today I asked for and received a copy of the *Encyclopaedia Britannica* in order to quote to honourable senators the principles of immunities, privileges and rights of members of Parliament.

If someone else wishes to make my speech, I will sit down.

The Hon. the Speaker: Order!

Hon. Mr. Pouliot: I got this book today, but I have not had time to read any quotations or precedents from it. It seems to me that our honourable colleague from Toronto-Trinity has quoted enough in the learned

speech he has just delivered. What he has said is solid, it is accurate, it is true, and you know it. Why then should I come up with more quotations from an encyclopaedia? You know that from the remotest time, from the time of the Stuarts and the early Kings of England, Parliament has been supreme. When the Speaker of the House of Commons comes before the representative of Her Majesty at the opening of a session of Parliament, he comes as the head of the members of the House of Commons to show that the Commons deserve recognition. Then what happens? To show that Parliament is supreme a bill is presented in both houses before a motion is made for consideration of the Speech from the Throne. In this way Parliament affirms its right in front of Her Majesty or Her Majesty's representative in this land.

All this has to be remembered on such an occasion as this. If we disagree at times, it is a matter of minor importance, because we are people of good will. We may disagree on other matters, but when it comes to the defence of our rights, traditions, immunities and privileges, there should be a unison and a oneness in this chamber, as there is in the House of Commons. This is my understanding of the whole matter, after having been a member of the House of Commons for 31 years before coming to this chamber last year.

The Senate is doing too well and its members are too faithful to their numerous duties to be stopped on their way to the Parliament buildings by a constable of any force. I say senators are fulfilling their duty: they can be compared to the ambulance drivers who pass stop signs and red lights in order to save the life of a man who has been stricken with an illness. Their duty is just as important as that of firemen who also may pass red lights on their way to save buildings from destruction. We are here to do our duty as members of Parliament. I do not know what constable would arrest me from coming here when I take the trouble to travel a long distance to attend to my duties. I do not see anyone who will stop me or penalize me in the doing of my public duty.

Therefore, honourable senators, you will understand my animation and feeling of protest on an occasion like this. I cannot stand it. In speaking of a breach of privilege, I wonder if it would not be better to amend Chapter 324 of the Revised Statutes to make it an offence for a traffic officer on the Crown property that surrounds Parliament to stop a senator or a member of the House of Commons from coming to Parliament. The offence should be his, not that of any senator or member of the House of Commons.

Freedom from civil and criminal arrest is a right which has belonged to members of

Parliament for centuries. Therefore, honourable senators, I have an amendment to move to this bill.

Before moving the amendment I would remind my honourable colleagues that by virtue of the rules of this house any member of the cabinet may appear on the floor of the Senate to explain a piece of legislation. That is an exception which is made in favour of ministers, and rightly so. Since I have been a member of the Senate, during the past two sessions, I have not seen any member of the cabinet come here by virtue of that rule. The witnesses who usually appear before our committees are the heads of departments. I have noticed the Deputy Minister of Trade and Commerce there; and last week the Superintendent of Insurance came before one of our committees to give his opinion on a piece of legislation. It was perfectly in order for these heads of departments to come before committees. But in this matter which concerns the very life of Parliament I was surprised that instead of the Deputy Minister of Public Works, the Commissioner of the Mounted Police, and the Chairman of the Federal District Commission, there appeared before the committee two minor officials.

Is it not ridiculous, honourable senators, that no one can tell us whether the sidewalk which surrounds the Senate is Senate property, or if it is under the management of the Federal District Commission, or if it is just left over by the Department of Public Works? When I walk on that sidewalk I want to know if I am on Senate property, or on Federal District Commission property, or if I am on stone that have been left over by the Department of Public Works. The Minister of Justice could have given us that information; he could have appeared as a witness or sent his deputy to inform us. It is most unfortunate that he did not do so, honourable senators.

I demand the rights, immunities and privileges of the Senate; it is part of my duty as a Senator to do so, and to see that the Senate does not fall into disrepute. Therefore, I have the honour to move, seconded by my distinguished colleague from Toronto-Spadina (Hon. Mr. Croll):

That Bill Y-7, an Act to amend the Government Property Traffic Act, be not now read a third time but that it be referred back to the Standing Committee on Transport and Communications to complete the evidence relating to the Senate property outside the Parliament Buildings (Central Block).

The Hon. the Speaker: Honourable senators, the question is on the motion of the honourable Senator Connolly (Ottawa West) for third reading of Bill Y-7, intituled "An Act to amend the Government Property Traffic Act" to which the Honourable Senator Pouliot, seconded by the Honourable Senator

Croll, has moved an amendment that the bill be not now read a third time but that it be referred back to the Standing Committee on Transport and Communications to complete the evidence relating to the Senate property outside the Parliament buildings (Central Block).

Hon. David A. Croll: In rising to take part in this debate I hope honourable senators will bear with me for a moment if I draw to their attention something that happened in this house last Thursday. The house will recall that for about fifteen minutes some of the elder and more experienced and distinguished senators talked sense about the lack of publicity given to Senate proceedings. You will also remember that in the space of about a minute I rose quickly and talked some nonsense about the same proceedings. I was reported in the papers and the rest of you were not. I do not know whether that is a formula or not, but I thought the observation was worth making.

The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) will correct me if I am wrong: he said that he was of the view that members of Parliament were subject to criminal proceedings while Parliament was in session and while they were on these grounds. My memory may be playing tricks on me, but the honourable gentleman from Toronto-Trinity some years ago was Attorney General of Ontario sitting with me at the cabinet table, when a member of Parliament—as a matter of fact, a Liberal member of Parliament—charged with a criminal offence was not taken into custody until he left the buildings; he stayed here for a period of a week or ten days. Does the honourable gentleman recall that, or am I wrong?

Hon. Mr. Roebuck: I remember the case very well, but not from looking it up recently. I understand he was arrested in the precincts of this house.

Hon. Mr. Croll: My recollection is that at that time, in your capacity as Attorney General, you held the view that that would not be the proper procedure. You have a perfect right to change your view in the course of time and in the light of additional wisdom.

Hon. Mr. Pouliot: If I may offer an observation: I was a member of the House of Commons at the time. I told the individual in question not to go out. He went out and was arrested, but he was not arrested on the grounds of Parliament.

Hon. Mr. Roebuck: I stand corrected.

Hon. Mr. Croll: I think the difficulties here stem from the fact that there is a lack of opportunity to discuss these bills in Committee of the Whole. Because members of the Senate are not members of all committees, the implications of the bill are not clear. The bill on the face of it looks harmless, it appears to be a matter of some minor administrative nature. I presume the minister's office hope to have it passed through here and sent over to the other house. That house, of course, having absolute confidence that we had carefully examined the bill, would pass it promptly, as though it were of no importance.

I was a member of the House of Commons in 1952 when the original bill was passed, although I do not recall it at the moment. Because I made a mistake in 1952 I am not going to repeat the mistake in this house of wisdom. I think it is an ill-conceived bill. It does not particularly relate to the rights of members of the Senate or members of the House of Commons, but it is a process of whittling away the rights of Parliament itself—far more important than the rights of individuals. Parliament has constitutional rights. Some are written, some are unwritten, some are inherited, but they all go to the basic right of freedom, and that is what we are here to preserve. If we are not careful we shall one day find that Parliament has been weakened by the process of measures like this.

If I gave the impression on another occasion that I was trying to protect privileges, it was not my intention to do so; it was rather a loose use of language. No senator or member of the House of Commons asks for treatment other than that which is available to every other Canadian. Parliament asks to be treated like Parliament and not as a departmental adjunct or an administrative convenience. This is an occasion when Parliament should assert itself and stand up for its constitutional rights, or soon it may not have any at all. It is vitally important that we—and I refer now to the Senate—indicate to the country at large that we are not blotting paper for the House of Commons or for ministerial departments. If a department has an administrative problem to deal with, let it do it the hard way and not the easy way. What is proposed in the bill is the easy way. So the time has come for us to speak up. I am prepared to support the amendment put forward by the honourable senator from De la Durantaye (Hon. Mr. Pouliot), so that we shall have an opportunity to get in perspective, to understand, to

clarify and to reason as to what is in the minds of those responsible for this bill.

Hon. W. D. Euler: Honourable senators, in rising to speak at this late hour I may be imposing myself somewhat upon the house, but I am a bit confused by what I have heard this evening. I must also admit that I cannot get as excited as some of my colleagues seem to be about what, to my mind, is a relatively unimportant piece of legislation. So far the debate has been carried on largely by members of the legal profession. I do not belong to that profession, and perhaps I am rushing in "where angels fear to tread". But I cannot reconcile the speech of the senator from De la Durantaye (Hon. Mr. Pouliot) with statements made by the senator from Toronto-Trinity (Hon. Mr. Roebuck). If I rightly understood the senator from Toronto-Trinity he said, in effect that Parliament has practically no privileges left.

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

Hon. Mr. Macdonald: Members of Parliament.

Hon. Mr. Euler: Yes: I think the phrase he used was that Members of Parliament have practically no privileges, no immunities. But the senator from Toronto-Spadina complimented him on his fight to preserve the privileges and immunities of Parliament. Perhaps I am mistaken in my impression of what the senator from Toronto-Trinity said; if so, I would like him to correct me. He made a profound speech, which evidenced a great deal of research, upon which I compliment him, and for the most part his meaning was very clear. But if, as I understood, he stated that there are now no immunities and privileges of individual members of the House of Commons and of the Senate to be abrogated, I cannot understand why the senator who succeeded him could compliment him for fighting to preserve their privileges and immunities. So much by the way.

I gather from the statement of the senator from Toronto-Trinity that it is actually a criminal offence for a member of the Senate or of the House of Commons to violate any of the regulations which govern travel on ground owned by the Government of Canada. Does this mean that, for instance, if I happen to park my car in a place which is reserved for somebody else I am liable to a fine of \$500? If that is so, I am dead against this bill, because I believe in the old adage that the punishment should fit the crime. In the first place, I do not regard such an action as a crime at all. In the municipality in which I live—and the same is true, no doubt, of any other—if I park my car in a street where parking is prohibited, or if I go through a red light, or violate any other traffic regula-

tion, I am not accused of a crime, I do not think I am guilty of a crime, and I would not be tried as a criminal. If, by passing this bill, we concede that by the violation of any such regulations a crime is committed, I object to it very strongly indeed.

I have no objection to the amendment. I do not know what the Leader of the Government (Hon. Mr. Macdonald) has to say about the matter, but, taking it by and large, I think it amounts to a tempest in a teapot.

Hon. Thomas Vien: Honourable senators, a great deal of material has been spread on the record this evening, and the discussion which has taken place has created that confusion of which the honourable senator from Waterloo (Hon. Mr. Euler) has spoken, so I believe we should have a little more time to think over these matters. For that reason I would now move the adjournment of the debate. Inasmuch as there is a meeting of the Standing Committee on Internal Economy and Contingent Accounts tomorrow morning, obviously there will not be time before the sitting tomorrow afternoon to consider all that has been said during the discussion.

I therefore move adjournment of the debate to Tuesday evening of next week.

Hon. John T. Haig: Honourable members, I do not know what the honourable Leader of the Government (Hon. Mr. Macdonald) intends to do, but personally I feel some responsibility to do all I can to have Government legislation which is initiated here sent on to the other place as soon as is reasonably possible. Of course, if I do not agree with any of it I shall vote against it, but I am unwilling to delay action on any legislation with which I am in agreement, because I feel it should be considered as soon as possible in the other house. There is no doubt that we are getting very close to adjournment—much closer than some of us realize. So, if it is intended that this bill should be sent to the Commons at all, let us not defer action on it beyond tomorrow.

Under the circumstances, the question of adjournment of the debate is a difficult one. It may be that my brain is not working well this evening, but like the honourable senator from Waterloo (Hon. Mr. Euler) it is my impression that the matters covered by this bill are very limited, and not of a kind which affect me as a senator. Since my immunities and rights have already disappeared, the bill does not change our status at all. What I object to is the provision for a \$500 fine. It is simply nonsense, and it makes me feel hostile.

Hon. Mr. Aseltine: Supposing you were to call a man in front of the Parliament buildings.

Hon. Mr. Haig: If I kill someone I can be charged with murder.

I served for many years on the committee that looked after parking space for the Senate and its staff, and we had a lot of trouble before coming to any satisfactory arrangements. I wanted legislation to be passed which would place the control of this matter in the hands of Parliament. But this bill does not do it. I know that a test case was held in the local police court and it was ruled that Parliament had no jurisdiction over this matter. I thought we would get some legislation giving us this control, but that is not the case.

With all due respect to the honourable senator from De Lorimier (Hon. Mr. Vien), who has moved the adjournment of the debate, I think we should finish it tonight. I have no responsibility for the Government at all, but I do have a responsibility as a member of the Senate to try to get legislation through this house as soon as possible. I do not want it said that we have delayed legislation unduly. If the other house wants to hold up legislation, that is its business, but I don't think we should unduly delay legislation of which we approve.

Honourable senators, this whole bill was thoroughly discussed in committee, and the meeting was open to all members. I think we should finish the debate tonight and send the bill to the House of Commons.

Hon. W. Ross Macdonald: Honourable senators, I appreciate what the honourable Leader of the Opposition (Hon. Mr. Haig) has said. Naturally when Government legislation is introduced in this house it is in my interest that it should go through the Senate without any undue delay. I might say that it is not always easy to persuade a minister to consent to have legislation affecting his department introduced in the Senate. The Minister of Public Works consented to having this bill introduced here. Now, on the motion for third reading, it has been proposed that the bill be sent back to committee. I think the whole trouble arises from the fact that not many members attended the committee meeting at which the bill was considered. I was not present, because I had to attend a cabinet meeting, but my information is that the question which has been raised tonight was not even discussed in committee.

Hon. Mr. Isnor: I am quite sure it was.

Hon. Mr. Macdonald: Then I must accept my honourable friend's word.

Hon. Mr. Vien: Honourable senators, I rise on a point of order. My honourable leader (Hon. Mr. Macdonald) knows more

than anybody else that a motion to adjourn a debate is not itself debatable.

Hon. Mr. Macdonald: That is right, and I admit that I am out of order.

The Hon. the Speaker: I must apologize to the house, for I permitted the honourable Leader of the Opposition (Hon. Mr. Haig) to proceed when he too was out of order.

Hon. Mr. Vien: This whole discussion is out of order. If the Leader of the Government (Hon. Mr. Macdonald) and the Leader of the Opposition (Hon. Mr. Haig) were given unanimous consent of the house to speak on the motion, I would be quite willing to yield, but I would also want the privilege of saying a word on this very aspect of the matter.

Hon. Mr. Macdonald: I have very few words to say. As I said before, I appreciate what the Leader of the Opposition (Hon. Mr. Haig) has said with respect to the adjournment of this debate. I want to point out, however, that it would be impossible for the committee

to reassemble tomorrow morning to consider this bill, as another important committee is meeting. On Thursday of this week I am desirous of giving consideration to legislation which has already been passed by the House of Commons. Tomorrow, if we dispose of the motion that the honourable senator from De la Durantaye (Hon. Mr. Pouliot) has on the Order Paper, I would like the Senate to give consideration to the second reading of a bill to amend the Prisons and Reformatories Act. It can be seen that there would be little opportunity to resume the debate on the present bill before next week, and as there is more important legislation to be dealt with in the meantime, I would not object to the motion for adjournment made by the honourable senator from De Lorimier (Hon. Mr. Vien).

On motion of Hon. Mr. Vien, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p. m.

THE SENATE

Wednesday, March 20, 1957

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

Prayers.

Routine proceedings.

INTERNAL ECONOMY

REPORTS OF COMMITTEE

Hon. W. Ross Macdonald, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the second, third and fourth reports of the committee.

The reports were severally read by the Clerk Assistant.

On motion of Hon. Mr. Macdonald, it was ordered that the said reports be taken into consideration at the next sitting.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 274 to 294, dealing with petitions for divorce, and moved that, with leave, the said reports be taken into consideration today.

The motion was agreed to.

REPORTS ADOPTED

Hon. Mr. Roebuck moved that the reports be adopted.

The motion was agreed to, on division.

SENATE WORK

PROPOSED WIDER DISTRIBUTION AMONG STANDING COMMITTEES

Hon. Jean-François Pouliot moved, pursuant to notice:

That, in order to distribute evenly the sessional work between the Honourable Members of the Senate, and to afford them an opportunity to give the full measure of their talents, the rules of the Senate shall be revised and, in particular, the membership of the standing committees of the Senate shall be considerably reduced.

He said: Honourable senators, this is a motion which is intended to afford all of you an opportunity to give the Senate the full measure of your talents. I do not say this in the way of flattery. I say it so that the Senate may remain true to its great tradition and that it may act in conformity with the intentions of the Fathers of Confederation who suggested its establishment.

I hope honourable senators will take what I am going to say in the spirit in which I say it. I will not argue that the rules of the Senate are unsatisfactory. Far from it. As a matter of fact, they are superior to the rules of the House of Commons, for they respect the freedom of speech of the members here. I was a member of the House of Commons when the present Leader of the Government in the Senate (Hon. Mr. Macdonald) was Speaker of that chamber. At this time I wish to pay tribute to our present Speaker (Hon. Mr. Robertson) by commenting that I find he is just as familiar with British parliamentary tradition as is our Government Leader. It is in the shadow of our Speaker's knowledge, wisdom and fairness that I rise to speak on this occasion. That being said, you may be sure, sir, that I will not use unparliamentary language to express my views as clearly and as concisely as possible.

There is only one rule of the Senate that I object to, and it is the one concerning numerical membership of the standing committees of this house. I will leave aside joint committees, that is, the committees on which members of the Senate join members of the House of Commons to study certain matters. My intention now is to talk about only the Senate's standing committees proper, and they are numerous; in fact, I think that they may be too numerous. I see that there are 16 standing committees, whose membership varies from 9 to 50. The Debates and Reporting Committee has 9 members. That committee has no more usefulness; it dates back to the time when employees of the Senate were appointed by the Senate itself. In those days the members of the *Hansard* division were all appointed by the Speaker of the Senate on the recommendation of this committee, but today the appointments are made, after competitive examinations, by the Civil Service Commission. Therefore, as I have said, this committee of 9 members has no longer any *raison d'être*.

The Committee on Standing Orders consists of 15 members. That committee has not met very often, and it has no special occasion to meet, because the rules of the house are satisfactory. Early this session some amendments to the divorce rules were sponsored in this chamber by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), and I wonder if before that he took up the matter through the Standing Orders Committee. My recollection is that he did not do so.

Then there is the Public Buildings and Grounds Committee, of which I am a member; it consists of 15 members. It met last year, and had a very interesting sitting. This

is a small committee, and it has not had a meeting this session. Last year it did very good work in obtaining parking space near the Library, in spite of objections by the Federal District Commission. But as I said yesterday, when speaking on another bill, we do not know yet whether the sidewalk that surrounds this chamber is part of the Senate property or not.

Other standing committees are: Internal Economy and Contingent Accounts, with 25 members; Tourist Traffic, 25 members; Divorce, 25 members. In the book giving the list of committee members there is a note that the Divorce Committee membership shall not be less than 9 and not more than 25 senators. There is also the Civil Service Administration Committee, with 25 members. That is, four standing committees have each a membership of 25 senators.

The Internal Economy and Contingent Accounts Committee looks after appointments of persons who come under the Civil Service Act, and deals with matters that generally pertain to the Civil Service Commission. These appointments, in my view, should be dealt with not by the Internal Economy Committee, but by the committee on Civil Service Administration, which committee does not sit. As the Internal Economy Committee has taken upon itself to make recommendations with regard to appointments, promotions, and reclassifications in the staff, it should not have overlooked the staff of the Senate Post Office, the Senate Reading Room, the char staff and the messenger staff. I hope that next year these staffs will be considered by the Civil Service Administration Committee of this house, and that it will make due representations to the Civil Service Commission.

My suggestion is that the work of the committees should be as evenly distributed as possible between the various standing committees of this house.

I come now to the Tourist Traffic Committee. A few days ago we heard a very interesting speech by the chairman of that committee, the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor). After his speech, we had the pleasure of hearing from other honourable colleagues who in splendid language told about the wealth of picturesque scenery in the parts of Canada from which they come. I congratulate the honourable gentleman from Halifax-Dartmouth, and all others who participated in that debate, upon having done so well to promote tourist traffic in Canada. Those speeches were all made in this chamber; the committee did not sit. I am very glad that our *Hansard* has recorded these excellent speeches.

With regard to divorce, the answers that were tabled yesterday by the honourable Leader of the Government in this house were most interesting, especially in connection with the number of divorces that were granted in the year of Confederation and for a few years afterward. At that time the population of this country was four and a half times less than it is now. How did the Fathers of Confederation visualize the application of the provision of the British North America Act concerning divorce? At that time the number of divorce cases heard by the Senate committee was practically nil; according to the figures given yesterday by the honourable leader, in 1867, the year of Confederation, the committee heard none; in 1868, one; 1869, one; 1870, none; 1871, none; 1872, none. Probably that clause giving jurisdiction to the Senate in divorce cases was inserted because there were practically no divorces at that time. Last night the Chairman of the Divorce Committee, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), told us the number of divorce applications this session is quite high, nearly 450. Now, 25 members of the Senate are paralysed in their Parliamentary activities through having to attend Divorce Committee sittings. I am very sorry that this is so. I have nothing but praise for all the members of that committee, and I cannot understand how they can be so patient as listen to the same story—I will not qualify it—from all those who appear before them. In each case the committee members have to make up their minds whether or not the witnesses are telling the truth. Most of the cases are sordid and it takes men and women with an unusually high sense of duty to stand the work throughout a session. I sympathize with them. On the other hand, I think how much more useful they could be, what greater service they could render if they spent the same time in studying highway, railway and airplane accidents and in making recommendations that would reduce them.

Yesterday the answer was given to a question I asked about the number of persons killed or injured in each of the last ten years in automobile, railway and airplane accidents. The number is appalling and shocking. For instance, in 1955, 168 people were killed in collisions between motor vehicles and trains; and in 1954, the last year for which statistics on the number injured are available, 390 were injured in similar accidents. In 1955, 148 people were killed in other railway accidents; and in the previous year, the last one for which statistics on the number injured are available, 2,359 were injured in similar accidents.

Honourable senators, I know that cold figures are not very interesting, but these are

of the utmost importance to everyone desirous of doing something to reduce the tragic toll of traffic accidents.

Hon. Mr. Euler: May I ask my friend a question? He has deplored the fact that 25 senators devote their energies to divorce matters when they might be engaged in other work. What would be his remedy for the present situation?

Hon. Mr. Pouliot: If my honourable friend has no objection, I will finish what I have to say about accidents, and then I will be only too pleased to answer him.

Hon. Mr. Euler: Right. I apologize for interrupting.

Hon. Mr. Pouliot: But I thank my honourable friend for his question.

From motor vehicle accidents the number of deaths in 1955 was 2,869. According to the last figures available, the number of injured in similar accidents in 1953 was 56,318. That, I point out, is the total for only one year. I draw the attention of all honourable senators to *Hansard* of yesterday, page 371, where these figures are printed. As regards airplane accidents: in 1955 these caused 128 deaths and injuries to 50 persons. My contention is that members of the Senate Divorce Committee, although I appreciate the painstaking work they do, would render a much greater service to the country if they were engaged in trying to reduce the number of deaths and injuries in such accidents, rather than in dissolving the marriage knot for people who, too often, make a sport of marriage. This is not an answer to my honourable and genial friend from Waterloo (Hon. Mr. Euler): I have known him a long time; he was the minister with whom I was associated, and he is gifted with a dry wit which is very keen, but that does not prevent me from having a soft spot for him.

To answer his question, I repeat what I said in the house when, unfortunately, he was not here. My suggestion to reduce the painstaking work of the Divorce Committee is that we should, conformable to the spirit of the Fathers of Confederation, relate the number of divorces to be heard year by year to the number granted at about the time of Confederation, multiplying the total in accordance with the increase of population. Of course, if we multiply nought by $4\frac{1}{2}$ we shall not have much.

Hon. Mr. Macdonald: We shall still have nought.

Hon. Mr. Pouliot: My impression is that at the time of Confederation the number of divorces was about four or five annually. So, if that number were multiplied on the basis

of the population increase, the committee would deal each year with 20 or 25 petitions.

Hon. Mr. Euler: How would you make the selection?

Hon. Mr. Aseltine: To whom would you give the first chance?

Hon. Mr. Pouliot: To the first on the list. It is very simple. It is my habit to ask simple questions, and I try by a simple suggestion to help the honourable members of the committee, even in spite of themselves. I am sorry to invade the domain of my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck), who does so well as Chairman of the Divorce Committee, but if my suggestion were adopted the committee would have to deal with only 20 or 25 divorce cases each year, instead of about 450. The petitions which had not been heard at the end of a session would remain on a waiting list, to be dealt with at subsequent sessions.

Hon. Mr. Aseltine: The next session.

Hon. Mr. Pouliot: Next session, or the one after, or the one after the one after. Not many people would suffer. I assure my honourable colleagues who sit on the Divorce Committee that I have sympathy for them and I try to help them to the best of my ability by making a simple and practical suggestion.

Hon. Mr. Euler: Simple, but not practical.

Hon. Mr. Pouliot: There are other committees whose membership is increasing all the time. There is the Miscellaneous Private Bills Committee, which does not sit often; there is the Committee on External Relations, and the Committee on Public Health and Welfare, each of which has a membership of 35, but neither—I speak subject to correction—has held a sitting this session. I recall that my honourable friend from Cochrane (Hon. Mr. Bradette) did splendid service in the House of Commons for many years as Chairman of its External Affairs Committee. He is well qualified to preside over the Senate External Relations Committee, but no steps have been taken to call it together. Yet, in the American Congress, it is the Senate Committee on Foreign Affairs which establishes the foreign policy of our great neighbour to the south. Moreover, no less a personage than the President of the United States never enunciates his policy on external affairs without first calling for advice from the Senate Committee on Foreign Affairs. Why does our Government not adopt a similar practice? There is a splendid opportunity for honourable senators who are well informed on international matters to meet and express views which will conform to the sentiments of the Canadian people.

We also have a Canadian Trade Relations Committee. Very important matters concerning trade come before the Senate, but they are usually referred to the Banking and Commerce Committee. Why should we have a Canadian Trade Relations Committee if we are not going to refer any subject-matter to it? If a committee is useless we should dispose of it.

As regards our Committee on Public Health and Welfare, I cannot do other than remind honourable senators that the Narcotics Control Bill was referred to the Banking and Commerce Committee on March 6.

Then we have the Committee on Natural Resources, with a membership of 40, but to my knowledge that committee has not met this session.

Three of our committees—Banking and Commerce, Transport and Communications, and Finance—are each comprised of 50 members. I would suggest that the word "Commerce" be struck out of the name of the present Banking and Commerce Committee and that it be called the Committee on Banking, to which bills concerning banking should be referred. Other money bills—concerning insurance companies, and so on—could then be referred to the Finance Committee. The members at present serving on the Finance Committee are just as capable as those serving on the Banking and Commerce Committee. As a matter of fact, some belong to both.

The Committee on Transport and Communications is a most interesting and important committee, and I should like to have been a member of it so that I could have followed the policies of the Canadian National Railways, whose officers, I presume, report on the company's activities to the committee. The reports of the Canadian National Railways are not printed in the Senate *Hansard*, but I presume that Mr. Donald Gordon and his aides do report on the railway's policies and expenditures to the Committee on Transport and Communications. The work of this committee is not publicized enough.

Honourable senators, I find that the membership of all these committees is too large and is not evenly distributed among the members of this house. Two senators belong to 16 committees. I have no objection to this, because they are the two leaders in the Senate. The following table shows how membership on committees is distributed:

2 Honourable senators are members of 16 committees; 2 honourable senators are members of 11 committees; 1 honourable senator is a member of 10 committees; 3 honourable senators are members of 9 committees; 9 honourable senators are members of 8 committees; 13 honourable senators are members of 7 committees; 12 honourable senators are members of 6 committees; 14 honourable senators are members of 5 committees; 10 honourable senators are members of 4 committees; 17

honourable senators are members of 3 committees; 2 honourable senators are members of 2 committees.

Of the two members serving on the last-mentioned committee on this list, one is an absentee. There are about 12 or 13 absentees among the membership of all the committees. I do not blame the honourable Leader of the Government (Hon. Mr. Macdonald) for the distribution of committee membership, but I do say that the Committee of Selection has not acted fairly in nominating senators to serve on our committees.

My idea of the distribution of our committee work is that all bills that originate in this chamber or that come from the House of Commons should be canalized to a certain number of committees, each having a membership not exceeding 15. The members of these committees would be able to give careful study to every piece of legislation placed before them. I would hope that no honourable senator would have any objection to this. Naturally, fewer chairmen would be required if we had 10 or 12 committees rather than 16. There is no honour in being chairman of a committee that does not do any work. If members were given an opportunity to study and scrutinize a certain number of bills they would be in a better position to render greater service to the Government and to the country at large.

Honourable senators know better than I do the splendid service which the Senate Special Committee on the traffic in narcotic drugs rendered to this country.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Pouliot: The work of that committee was not publicized nearly enough. As a matter of fact, there was some criticism of it, and as late as this year a brilliant and well-informed journalist asked me what this committee had been doing in the United States, and so on. The fact is that the Special Committee on the traffic in narcotic drugs studied a matter of deep concern to a large section of our people, and its recommendations were most useful. The Canadian people were 100 per cent behind the committee and its work, but the Senate itself was not given the credit it should have received for the work done by that committee.

For many years the Standing Committee on Finance, under the chairmanship of the honourable senator from Churchill (Hon. Mr. Crerar), did a tremendous amount of valuable work in studying Government spending. The honourable senator from Churchill always acted in good faith, even though he was criticized at times. Last year the honourable senator from Milford-Hants (Hon. Mr. Hawkins) carried on this good work, and the committee continued to supply members of

Parliament and others with indispensable information. The work of this committee also was not publicized as it should have been. As for me, I was proud that the committee had done its work without any undue partisan political consideration.

This year we have a Special Committee on land use. It is another important committee, but it has not been publicized as it should have been, although I give credit to the Canadian Press for having a representative in attendance during the committee's sittings. His reports have been fair and intelligent. I do not complain about the reports of our sittings in the chamber, but I say that the press at large has not treated with sufficient importance on the editorial page the work of the three special committees that I have mentioned.

Honourable senators, these are things that I have wanted to say for a long time, after having observed what is going on in the Senate. Some people who are not familiar with this house ask for reform of the Senate. How would it be done? Should there be an age limit for senators, as there is for judges of the Supreme Court of Canada? I do not believe that that would lead to efficiency here. We have here in this chamber gentlemen of wide experience whose age is more than fourscore, who have good minds, and who render great service to this country. I would be opposed to depriving this country of the excellent services rendered by my colleagues who are older than I am, who are beyond the age of 70. They are still active, still work hard and give excellent service, and they should be held up as an example to the youth of this country. A number of senators older than 75, still full of enthusiasm, come in here to work early in the morning and leave late at night, after having done a good day's work. Reform of the Senate could not be effected by fixing an age limit of 70 or 75 for senators.

Now, would the Senate be improved if some representatives of the Opposition were appointed to this chamber? I doubt it. I will tell you, honourable senators, what my view is about it: it is that for appointment to the Senate the Government should not look after some gentleman who—

Hon. Mr. Aseltine: Mr. Speaker, I rise to a point of order. I doubt very much if the honourable senator is speaking to the motion. In my opinion, the appointment of senators to represent the Opposition has nothing to do with the question being debated at all.

Hon. Mr. Pouliot: Speaking to the point of order, sir, I will say that I have used no offensive language to anyone. My motion refers to the senators who serve on committees, and proposes that they shall give the

full measure of their ability to their task. This applies not only to the present membership of the Senate but to future appointments, and I want to qualify what I have just said.

The Hon. the Speaker: May I ask the honourable senator if perhaps he might confine himself more specifically to the question, rather than to a discussion of the personnel of the Senate.

Hon. Mr. Pouliot: Thank you, sir; I will abide by your ruling. But if I cannot speak of the future I can speak of the past and the present. If there is any senator who objects to my suggesting qualifications required for appointment to the Senate in the future I can tell him that the Government never received such praise as when some independent-minded Liberals were appointed to the Senate. I believe, sir, that I am within your ruling in saying so. Now, I am reluctant to say this, but I am bound to say it because of the point of order raised by my honourable friend. Not later than July 1955 the Prime Minister and the Government of Canada were showered with praise for the appointment of my honourable friend from Toronto-Spadina (Hon. Mr. Croll), my honourable friend from Halifax North (Hon. Mr. Connolly), and a number of others. I will not speak about the generosity of the press with respect to one who has learned in politics a great lesson in humility, but I will speak of the other appointees. I will speak of the ladies who were appointed with us; I will speak of the head of the University of Alberta Arts School (Hon. Mr. Cameron); of my good friend the former Premier of Nova Scotia (Hon. Mr. Connolly, Halifax North), who has done more for his province than any other premier of Nova Scotia, who is respected throughout the land, who has advertised his province, who has built good roads, and who has put Nova Scotia on the map. And there was similar commendation of the Prime Minister for the appointment of every one of the colleagues that were sworn in with me, as well as the last four appointees to the Senate. What the country has desired in appointees to the Senate is not political colour, but character and independence of mind and thought. I am referring to the present and to the past, not to the future.

My idea of the Senate is that it is a very important body. It is made up of legislators, some of whom are Liberals, and some of whom are Conservatives. Each one of us, whether a Liberal or a Conservative, is expected by the Canadian people to say publicly what he or she thinks is right and what he or she thinks is wrong. The only difference between Liberals and the Conservatives in the Senate

at the present time is that the Liberals shall give the benefit of the doubt to the Government they support, and the Conservatives shall give the benefit of the doubt to the Opposition that they support in the House of Commons. That is my view of the Senate.

Now, honourable senators, I have almost concluded my speech. Next year I will take up the matter again, and will sponsor an amendment to the rules under which the membership of standing committees is established. It is too late in this session to move such an amendment, but I intended to do so at the beginning of next session, with a view to enabling the Senate to serve its full purpose. I am sure honourable senators will understand that in this I have only one ambition: it is that the Senate shall perform its task as set forth by the Fathers of Confederation.

Honourable senators, may I thank my honourable friend from Toronto-Spadina (Hon. Mr. Croll) for the support that he gave me yesterday. I remember the early days when I was with him in Windsor, at the Kennedy Stadium, with Mitch. Hepburn. My friend was then the mayor of Windsor. He was elected by a tremendous majority, for he was then as popular as he is now,—

The Hon. the Speaker: Honourable senators, I think the honourable senator from De la Durantaye (Hon. Mr. Pouliot) is out of order when he makes that remark on a discussion of the composition of the committees of the Senate.

Hon. Mr. Pouliot: Well, Mr. Speaker, I regret very much to be out of order in expressing my admiration for one of my colleagues. I could make a much longer speech by telling of the high regard I have for every member of the Senate. But in view of Your Honour's ruling, I will be unable to say the good I would have said about my friends who are members of the Opposition, and as well about my friends on the Government side. However, I can rejoice in my heart in what I have said. May I read my motion? I hope, Mr. Speaker, you will not object to my thanking the honourable senator from Stadacona (Hon. Mr. Dessureault), who honoured me by seconding my motion.

I had a nice bouquet for the honourable Leader of the Government, (Hon. Mr. Macdonald), and also for the Leader of the Opposition, (Hon. Mr. Haig), but unfortunately those flowers will have to fade.

Hon. Mr. Macdonald: We will get them next year, when you renew your motion.

Hon. Mr. Pouliot: If His Honour the Speaker objects, what can I do? I will have to offer my bouquets outside this chamber. My motion reads as follows:

That, in order to distribute evenly the sessional work between the honourable members of the Senate, and to afford them an opportunity to give the full measure of their talents, the rules of the Senate shall be revised and, in particular, the membership of the standing committees of the Senate shall be considerably reduced.

Hon. Mr. Haig: Question.

Hon. W. Ross Macdonald: Honourable senators, before the question is put I think I should say a few words about this motion. The sponsor (Hon. Mr. Pouliot) has intimated that he does not wish to press for adoption of his proposals at this session. He intends, as I gathered from his remarks, to move a similar motion next session. What he has said today has been preliminary to the remarks which he will make at the next session.

Hon. Mr. Pouliot: Exactly.

Hon. Mr. Macdonald: We will have an opportunity to study his remarks during the recess, in order that we may give greater consideration to this matter when it is raised next session. Accordingly, I have very few remarks to make today.

I do not take second place to anyone in desiring to have the Senate function as expeditiously and as efficiently as possible. I do not think any honourable senator can place himself or herself in a superior position to another in that respect. Indeed, we are all anxious to uphold the prestige and dignity of this assembly, and to serve Parliament to the best of our ability.

The honourable senator suggested that the membership of some of the standing committees should be reduced. I would draw to the attention of the house the fact that we do not very often sit as a committee of the whole. For that reason, I take it, the membership of a number of the committees is unusually large in order to allow as many senators as possible to attend committee meetings. If the house were to sit as a committee of the whole more frequently, the membership of the standing committees could perhaps be smaller, but I believe that as long as we follow the present custom of referring bills to standing committees, it is advisable to have the main ones composed of a substantial number of members.

The honourable gentleman referred to the work of the Divorce Committee. He expressed his admiration of the work which the chairman and members of that committee are doing. I join with him in that expression of admiration. I feel we are indebted to that committee for the very necessary work it is doing. My honourable friend suggested that only a small percentage of the petitions presented each year should be considered.

That is a very interesting proposal, but I doubt that it is practical. In fact, I would not want to be one of those who had to decide which 20 of the 400-odd applicants should be heard. If his suggestion that some 380 cases be stood over each year to the following year were followed, at the end of the tenth year there would be 3,800 unheard divorce petitions before us.

In my opinion the membership of the Divorce Committee cannot be reduced. That committee sits in several sections, and as long as there are petitions before us requiring considerations, I feel the committee must remain at least as large as, if not larger than, it is at present. If the committee were to hear only 20 cases during each session, the chairman could hear them himself, and it could become a one-man committee.

The honourable gentleman referred to the fact that the External Affairs Committee did not sit this session. I would remind the house that any honourable senator has the right to ask that any committee be convened. A motion can be made at any time that any matter or piece of legislation be referred to a specific committee. In any event, I am sure that the chairman of a committee would convene a meeting of his committee almost immediately, if asked to do so.

Reference was made also to the Committee on Canadian Trade Relations. That committee has been doing excellent work for several sessions. Its final report on that work has not been presented, but I believe it is prepared by a subcommittee. That is why the committee has not met this session.

My honourable friend mentioned that many bills are sent to the Standing Committee on Banking and Commerce. He also made reference to the Standing Committee on Finance. The Standing Committee on Finance was set up to study especially the finances of the Government, the spending of public funds. The Banking and Commerce Committee has been considering, and I think rightly so, bills which primarily have a financial implication. It is a large committee, and I think quite properly a large committee, for one reason that I have already mentioned, that we do not consider bills in committee of the whole house. The Banking and Commerce Committee is and has been doing excellent work. I do not see how it could be reduced in numbers. Probably we should be more careful in referring to that committee bills which should be referred to other committees, but that is up to the house. When a bill is referred to a committee this house decides whether it shall be the Banking

and Commerce Committee, the Finance Committee, the Transport and Communications Committee, or some other committee.

Honourable senators, I do not intend to say anything about publicity. On that question we had an interesting debate, even if it was out of order, one day last week.

I appreciate the fact that my honourable friend did not blame me for the fact that some committees are too large and some are too small. I will take the blame with other members of the Senate, but I should remind him that these committees are nominated in the first instance by the Committee of Selection, which is appointed by this house. I do not appoint the Committee of Selection. If I am appointed chairman of it, well and good. I do not remember whether or not I was chairman of it this session, but I do not think I was. In any event, when that committee meets, a chairman is appointed and the members of the various committees are selected by it. After the selection is made the report of the committee is presented to this house. I do not think it is ever considered on the day it is presented, but it is put over for a day or two, and then this house takes the responsibility of approving it or not. In that way the house is responsible for the composition of each of the committees.

The honourable senator from De la Durantaye (Hon. Mr. Pouliot) has given us something to think about. He is anxious to have the Senate function as well as possible in the interest of Parliament and of Canada. We are all anxious about this, and we are open to suggestions at any time from any honourable senator as to how improvements may be brought about.

Hon. Senators: Hear, hear.

Hon. John T. Haig: Honourable senators, there is just a word or two that I want to say. I will not repeat anything that the honourable Leader of the Government has said; I agree with what he said. I will try to explain as best I can the reason why the Committee of the Whole is not able to function efficiently in the Senate.

Those of us who served in a legislature or in the House of Commons will know that in such a chamber the Committee of the Whole is used very extensively. The majority of senators will remember that some years ago in this house we tried to have the Committee of the Whole function here, but did not succeed. The question may be asked: Since it is so successful in legislatures and in the House of Commons, what is the difficulty here? The difficulty is easily explained. In a legislature or in the Commons the ministers responsible for

Government policies are right there on the floor, prepared to answer any questions that may be raised. They understand the whole problem—they probably have had a dozen cabinet meetings about it—and therefore are able to dispose of all questions on the spot. But in this house, aside from the Leader of the Government, there is no person who can speak on behalf of the Government. A few years ago we experimented on several occasions by having a bill explained by the responsible minister on the Senate floor. The ministers who participated in the experiment did not like it, and it did not prove to be satisfactory.

When Senator Dandurand was Leader of the Government and the Right Honourable Arthur Meighen was Leader of the Opposition, they attended committee meetings, generally sitting one on either side of the chairman. I asked Senator Meighen and Senator Dandurand why the membership of the Banking and Commerce Committee was so large. Their reply was, "Mr. Haig, we do not use the Committee of the Whole, and if membership of the Banking Committee is 50 senators, at least that many may come here out of 96". The membership of the Senate in those days was 96.

At the first meeting of the Banking and Commerce Committee which I attended I asked what bill was under consideration. Although I was not a member of the committee, I was familiar with the subject-matter because it had been discussed in the Manitoba Legislature. I asked the chairman if I could have a word to say on the bill or ask one or two questions of a witness. The chairman replied, "I don't know whether you can or not, Mr. Haig," and one of the senators spoke up and said, "No, you are not a member of the committee and you cannot have any part in this discussion." When the late Senator Dandurand heard this he remarked: "When did that rule come in? I have been a member of the Senate for a number of years, and it has always been understood that any senator can attend a committee, ask questions of witnesses, and take part in discussions. The only thing he cannot do is make a motion or vote on a division." This occurred in 1936, and since then no objection has ever been raised in any committee to a non-member coming in and taking part in discussions. I admit non-members seldom attend, but that is because they have confidence in the committees.

As regards the selection of committee members, I can speak again with some authority. The member of our party who represented it in these matters when I came here was pretty foxy. He said, "Here is Haig, a young fellow who wants to get on in the

world; I will put him on the Selection Committee." So I became a member of that committee, and almost everyone was after me to do this and that for him. The practice is that the Liberal party whip produces a list of the membership in the previous year, and together we go over this list and arrange to fill vacancies which have been caused by deaths. For instance, between sessions five Liberals and one Conservative may have passed on. In this matter I have always been treated with greatest consideration. Every year I am asked whom I wish to represent our party on the committees. Our relations could not be more pleasant. If there were reason to complain I would complain, but the fact is that the majority representative insists that I provide for Conservative representation, and sometimes I find it rather difficult, because my followers are members of so many committees, and I do not care to have them too continuously occupied there. The party whip suggests to each committee chairman that five or six seats be left vacant. He does so for two reasons. There may be seven or eight newly-appointed senators whose preferences he has not been able to ascertain. Also, if appointments to the Senate are made during a session, places are available for them. This is how the system has been worked, and in 15 years I have never been asked by any honourable senator, whether a member of my own party, the Government party, or an independent, that he or she be appointed to such and such a committee. That indicates, I think, that honourable senators generally have confidence in their committees and feel no unsatisfied urge to join them.

I have made this statement in no spirit of unpleasantness toward the honourable senator from De la Durantaye (Hon. Mr. Pouliot), but to let him know the background of the present system. It will not be found in the records, but the facts are as I have given them. So under the circumstances I make bold to suggest to my honourable friend that, now we have had this full discussion, he withdraw his resolution; and if he wants to bring it forward again next session he can do so, and the matter can be considered again at that time.

Hon. G. Percival Burchill: Honourable senators, for the information of the house, and particularly of my honourable friend from De la Durantaye (Hon. Mr. Pouliot). I would like to point out that any honourable senator who may be looking for information on which to discuss the motion, if it comes before the house again, can find it in the Senate *Hansard* for the second session of 1951. On October 16 that year a motion similar in purpose to that of the motion before us today was moved by the honourable

Leader of the Government at that time (Hon. Mr. Robertson). It proposed that the membership of three important standing committees be reduced to 17 senators.

The motion precipitated a vigorous debate, which continued for several days and finally was adopted by a vote of 35 to 11. The report of the debate is very interesting. Powerful arguments were urged pro and con. Honourable senators who were in the chamber at the time will remember the debate; and, as I have suggested, all the ammunition anyone may require for another motion like the present one is available in that report.

Hon. Mr. Pouliot: Honourable senators, I am indebted to everybody; and I now beg leave to withdraw the motion.

Hon. Senators: Hear, hear.

The motion was withdrawn.

PACIFIC SALMON FISHERIES CONVENTION BILL

THIRD READING

Hon. Thomas Reid moved the third reading of Bill 180, an Act to implement a Convention between Canada and the United States of America for the protection, preservation and extension of the Sockeye Salmon Fisheries in the Fraser River System, signed at Washington on the 26th day of May, 1930, and a Protocol thereto signed at Ottawa on the 28th day of December, 1956.

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

PRISONS AND REFORMATORIES BILL

SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill U-9, an Act to amend the Prisons and Reformatories Act.

He said: Honourable senators, this is not an involved piece of legislation but it is an important one. A modern penal institution costing about \$3 million is now being built at Haney, British Columbia. It is being constructed in accordance with the modern trend in the development of penal institutions, which is to enable the segregation of different types of criminal offenders.

Present legislation enables prison and jail officials in British Columbia to transfer prisoners from one institution to another. However, this legislation is not wide enough to enable such transfers to be made between existing provincial penal institutions and the new Haney institution. The purpose of the bill now before the house is to authorize

the Inspector of Jails of British Columbia, or such other person as may be authorized by the Lieutenant-Governor of that province, to make such transfers.

Honourable senators, it is desirable that this legislation be enacted at this session of Parliament, for it is anticipated that the new institution at Haney will be completed by mid-summer, when Parliament will not be in session.

Hon. Mr. Reid: May I ask the honourable Leader of the Government (Hon. Mr. Macdonald) if he has any information as to whether provision is being made for the treatment of drug addicts at the new penal institution at Haney?

Hon. Mr. Macdonald: I am not sure, but I understand that the institution will be highly advanced from the point of view of penal reform, and will be a credit to British Columbia.

Hon. David A. Croll: Honourable senators, this legislation gives me an opportunity to say something about prison reform, which is a timely subject.

Many honourable senators participated in our last Senate debate on this subject, which took place in March of 1956. Since that time we have been provided with the Fauteux Report on Remission Service, dated April 30, 1956. This is a blueprint which could affect penal reform in our country.

The personnel of the Fauteux Committee was as follows:

Mr. Justice Fauteux, of the Supreme Court of Canada.

William B. Common, Director of Public Prosecutions, Ontario.

J. Alex Edmison, Assistant to the Principal, Queen's University, Student of Penal Reform.

Joseph McCulley, Warden of Hart House, University of Toronto. Former member of Penitentiary Commission.

The report covers much ground and is a sincere and thorough study. It is a heartening report which lives up to high expectations, though, as I will point out later, it has, in my opinion, some shortcomings.

The Fauteux Committee was appointed in 1953 and visited all Canadian prisons and larger provincial institutions. It also visited institutions in Britain, France, Belgium, and the United States.

On reading the report it is evident that it shows up some glaring weaknesses in the method of looking after and rehabilitating offenders. Its main theme was leniency, parole, probation, suspended sentence and treatment. It emphasized the first principal of modern correctional system: "Keep as many offenders as possible out of prison."

The report by itself, of course, accomplishes nothing. It needs implementation, and the manner, speed and degree of co-operation between provincial and federal authorities will tell the tale. Slowness in carrying out recommendations will leave us further back than when we started.

The task of reform—straightening out crooked minds, calming disturbed personalities, strengthening weak characters—all this cannot be accomplished simply by punishment, lectures, making reports, and putting recommendations in pigeon-holes.

Let us look at the record for a moment. These statistics are interesting. Of those committed in Ontario, 31.3 per cent are first offenders and 41.5 per cent committed three or more offences. Of the 10,341 committed to reformatories, 9 per cent were committed for the first time, 8 per cent for the second time, 8 per cent for the third time, and 30 per cent for the fourth time or more.

The penitentiary population statistics are not too bad. In 1955 the penitentiary population was 5,507. In 1956 it was 5,508, an increase of one. That, of course, is very commendable: it represents progress despite the fact that there has been a continuous increase in the last ten years in our penitentiary population. In 1946 the prison population was 3,362, and in 1956 it was 5,508.

Here are some figures on general recidivism, which is the habit of relapsing into crime. In 1954 the figure was 77 per cent. Think of it—three out of every four back in prison again. In 1955 the percentage was 77.6; in 1956, it was 79.4. That is not a good record.

Penitentiary recidivism: In 1954, 38 per cent; in 1955, 42.5 per cent; in 1956, 43.95 per cent. That is bad, as can readily be seen.

Young inmates, that is those under 21: In 1955 the number was 694, or 12.6 per cent; in 1956, it was 669, or 12.14 per cent. That shows some little improvement.

In 1956 there were 723 tickets of leave. That was more than ever before, but we are not yet liberal enough in granting tickets of leave.

I will repeat to this house what I have said and repeated on many occasions, and as contained in the report, that the cost of maintaining an inmate in a penal institution is from \$1,500 to \$2,500 a year. The cost of a probation supervisor for the same period is \$50 for each probationer. That is not taking into account the social benefits.

Honourable senators, no reform can do any good, in fact, it is meaningless, if a criminal having paid his debt is denied by society the opportunity to re-establish himself, is turned down for job after job, is cold-shouldered by his neighbours, and so forced back into crime again.

Despite the fact that men have been locking one another up for generations, today they earnestly question the ethics of imprisonment. They do so for many reasons and motives, all of which are commendable. There is greater knowledge and understanding today of what goes on behind prison bars and its effect upon society as a whole, and the prisoner in particular. There is a very deep suspicion that we are wasting human material which we cannot afford to waste—that we are wasting money which we should not waste. The figures on recidivism which I have quoted today give thundering evidence in support of these statements.

With the spread of literacy, people are writing about their experiences. Some people who can write have been to prison. The daily editions of our newspapers, and particularly the weeklies, very often carry stories by men who have been in our prisons. These accounts are not only well written but have a very wide circulation. Today the doors of prisons are open to social workers, newspapermen, radio reporters, and students, who can see for themselves what is going on. They, too, write and speak of what they see and hear.

We have had many reports from many commissions. I think the first one of which we have a record dates back to 1832. More recently we have had reports from the provinces of Nova Scotia, Saskatchewan, British Columbia, New Brunswick and Ontario. These were excellent reports. They did not quite cover the same reference as the Fauteux Committee did, but to a greater or lesser extent they gave consideration to the same subject-matter.

The Fauteux Committee brought forward 44 recommendations—some vital, others important, and many administrative. It also made some observations, two of which I bring to the attention of the house:

1. We commit a child of 15 years to the same penitentiary in which we keep adults and hardened criminals. In 1955, 14 were sent to the penitentiary.

2. We commit a man to prison on a charge, hold back another and other charges, and re-arrest the man, on the old charges, no matter how old, the moment he is released.

Both of these observations should give us great concern.

Hon. Mr. Hayden: May I ask the honourable senator if he was reading from the report of the statement about re-arresting on the old charges?

Hon. Mr. Croll: As a matter of fact, I summarized it. The committee says a great deal more than I said.

Hon. Mr. Macdonald: The man would have completed his sentence if he was re-arrested on an old charge.

Hon. Mr. Croll: That is what I said. I said we "hold back another and other charges, and re-arrest the man, on the old charges, no matter how old, the moment he is released." I said that when he has completed his sentence on one charge, they re-arrest him on another charge.

Hon. Mr. Macdonald: But he is not paroled and re-arrested.

Hon. Mr. Croll: No, I did not say that. I was quite clear in what I said. I have seen this happen too often to be mistaken in what they do. The committee recommended that the man be given an opportunity to plead guilty to all the charges, at one time.

The more urgent recommendations of the committee were as follows:

1. To establish a National Parole Board, which would automatically review sentences, with power to parole at will.

2. To grant pardons on a much more liberal scale than at present.

3. Repeal law which authorizes imprisonment in default of payment of fines by persons unable to do so. Persons should not become inmates for reasons of poverty.

4. No penal institution in Canada, provincial or federal, should contain more than 600 inmates. Five of our eight federal institutions now exceed that limit.

5. A more intensified system of treatment should be instituted in the women's prison at Kingston.

6. Encourage Canadian universities to open schools of criminology and professional training in penal institutions.

7. All prison sentences of more than six months should be the responsibility of the federal Government, having one authority instead of ten responsible for the welfare of these men, so that a more effective job could be accomplished in probation, parole and rehabilitation.

8. The imposition of determinate plus indeterminate sentences should be repealed, and the Parole Boards of Ontario and British Columbia abolished.

9. Increased financial grants should be made to after-care societies so that they could work more effectively in the correctional field.

Hon. Mr. Reid: May I ask a question? I am rather intrigued by the suggestion that a person who fails to pay his fine should not be sent to jail. In the case of a person who, for instance, is sentenced to 14 days in jail or a fine of \$25, and who fails to pay that

fine, is it recommended that he be let go free, or given time to find the money to pay his fine?

Hon. Mr. Croll: There are two ways of approaching the problem. The presiding judge should beforehand ascertain the type of man he is dealing with, and his ability to pay. In any event, a convicted person should be given ample time to pay his fine on the instalment plan. Some judges, but not enough of them, are doing that now.

The recommendations I have been referring to are those that I take from the Fauteux report; they are not mine. However, I will have some of my own to present later.

Finally:

10. They were struck by the fact that the length of sentences imposed in Canada when compared to England for comparable offences is generally much greater. They ask, do long sentences serve the intended purpose?

A case in point was reported in the *Toronto Star* of March 6. A 19-year old errand boy was sentenced in Toronto to 14 years in penitentiary after having been convicted of stabbing another boy following an argument. Honourable senators have within their personal knowledge or have read of persons charged with murder and convicted of manslaughter who escaped with much shorter sentences. In this case the stabbing took place as a result of an argument between two boys of about the same age. The boy who was stabbed was not seriously injured, and the incident was not reported to the police department. They learned of the incident, made an arrest, and brought the boy to trial. Though he was, as I say, 19 years old, with no previous record, he was sentenced to 14 years in penitentiary.

In the circumstances, this is a ferocious application of the law; it cannot be termed Canadian justice; it is hard and brutal. That is the type of case which attracted the attention of the Fauteux Committee.

In some respects, the Fauteux Committee was silent where it should have spoken. It failed to recommend more time off for good behaviour. A person who is serving two years today is released after 19 months and 8 days. In England, a similar person, serving the same time in the same circumstances, receives a one-third cut in sentence, and serves 16 months.

The committee failed to recommend a pardon in the case of a first offender, to wipe the slate clean and to eradicate his conviction from the record after five years of exemplary citizenship; that is, to forget the past, bury it, make the forgiveness absolute and give the offender a new start. Today a rash act involving an infraction of the law may well

spoil a man's chance of getting a job, obtaining a license to carry on business or emigrating to the United States if he so desires. These are very serious handicaps to inflict on a person for one mistake.

The committee failed to recommend that prisoners could earn home leave at regular intervals in the interest of health, family life and discipline.

They failed to recommend rehabilitation leave for those whose release is not too far off, in order to accustom the prisoner to more normal surroundings and to prepare him for his day of release. He has still to face the unfamiliar and hostile world with a release ticket, a few dollars, and wearing prison-made clothes which almost appear to have bars painted on them. Through enforced isolation he has lost touch with society; his rigidly controlled life has left him badly handicapped in his efforts to rehabilitate himself. My suggestion is, and I make it for the second time, that his leaving prison should be tapered off; he should be allowed to go home from time to time. He will return from such leaves, there is no doubt about it.

I do not expect that all the recommendations made by the Fauteux Committee will be accepted, nor do I anticipate that those which have been or will be accepted will be fully implemented. But I do ask that the minister—he is a member of this house—take the country into his confidence and bring us up to date in order that we can judge progress in the light of the report which took three years to compile and contains some 44 recommendations on matters involving justice, freedom and citizenship.

Like other senators, I am looking for information, and so I put this question to the minister: Have we made significant progress on the recommendations of the Fauteux Committee? We ought to lose no time in acting on the report as expeditiously as possible.

Hon. Senators: Hear, hear.

Hon. Mrs. Fergusson: Honourable senators, in view of the fact that we in New Brunswick are moving along the same lines as is British Columbia in the establishment of some medium security prisons, I would like to ask the honourable Leader of the Government if the proposed amendment applies to other provinces than British Columbia.

Hon. Mr. Macdonald: It applies only to British Columbia, but no doubt there is a similar statute with respect to New Brunswick.

Honourable senators,—

The Hon. the Speaker: I would remind honourable senators that if the honourable leader speaks at this time he will close the debate.

Hon. Mr. Macdonald: First, I should like to thank the honourable senator from Toronto-Spadina (Hon. Mr. Croll) for his very interesting and enlightening address on a subject with which he has been familiar for many years. I know of his interest in these unfortunate people, from having heard him speak once before in this house and on numerous occasions in the House of Commons.

We all, I am sure, have an interest in the man who has served a time in a penal institution, but unfortunately we are not sufficiently interested in him after he is released. As the honourable senator from Toronto-Spadina has said, he comes out of jail, reformatory or penitentiary, and we take too long to forget that he has spent time behind bars. When he applies for a job, and it becomes known that he has served a prison term, we hesitate to employ him. Not only do we hesitate in that respect, but we take no interest in him at all. Then we wonder why he becomes a repeater.

Hon. Mr. Reid: But no Government can do anything about it.

Hon. Mr. Macdonald: I think my friend is right to a certain extent. The only thing the Government can do, as has already been suggested, is to grant a pardon after a man has served a term for not too serious an offence. The Fauteux Committee made a recommendation in that regard.

Hon. Mr. Hayden: But they did not recommend an immediate pardon.

Hon. Mr. Macdonald: No, not an immediate pardon. That question is receiving attention of the Department of Justice.

We all have a great deal of sympathy for men and women who have been in prison, and we say we would like to see them released, but if after they are free they commit a second—and perhaps a more serious—crime, the public reacts quite differently to them. Honourable senators will recall that as recently as a month ago a man who was released from one of our penitentiaries on a ticket of leave—

Hon. Mr. Dupuis: He was from British Columbia.

Hon. Mr. Macdonald:—shot and killed a policeman in the city of Montreal. Immediately there was a deluge of complaints to me, as minister, that this man had been let out before his time. That is the type of situation we face in these cases. Fortunately, not too

many convicted persons fail to carry out the terms of their ticket of leave.

I happen to have before me the figures for 1956 which indicate that the total number of prisoners released on ticket of leave in that year was 1,620.

Hon. Mr. Croll: The figure I have is taken from the blue book, the annual report.

Hon. Mr. Macdonald: I do not suppose the figure for 1956 would be in there?

Hon. Mr. Croll: This is for 1955.

Hon. Mr. Macdonald: The total releases in 1956 were, 1,620. Of these, 102 broke the terms of their conditions of release and were recalled to complete their term. That is not a very high percentage; it is about 6 per cent. Fifty-one of the 102 were convicted of an offence during the time they were on ticket of leave. Such conviction while on ticket of leave automatically brings their freedom to an end, and the time that was credited to them for good behaviour is added on and they have to complete their terms. The remaining 51 were called back because they did not live up to the conditions of their release. Honourable senators realize that when a man is allowed out on a ticket of leave there are certain conditions attached to his release: he has to report, he usually has to abstain from the use of intoxicating liquor; he cannot associate with his former companions if they have criminal records or are believed to be leading an unsatisfactory life.

The honourable senator from Toronto-Spadina has asked what progress has been made over the year since he brought this matter up in the house. Considerable progress has been made. During this year there have been established by my department four additional regional offices. Until this year there were two regional offices, that is, places where men who are on ticket of leave report, either directly or indirectly. There is a central office at Ottawa, of course. Since 1948 there has been an office at Vancouver, and there has been one in Montreal. This year one is being established at Moncton. Here I repeat what I said on a former occasion, that New Brunswick is making great strides in this matter; it is taking a keen interest in those who are in institutions and who are being released. The office at Moncton will be for the Atlantic provinces. A new office is being established at Toronto, another one at Winnipeg, and a fourth at Kingston. Also, three additional employees are being taken on the staff at Ottawa to make inquiries and to enable reports to be handled more expeditiously. The men in charge of the various offices have had considerable experience in correctional work and in social service.

The persons who are released in each of these districts will be under the joint supervision of an official for the district and an official from an after-care society. So I think honourable members will agree that we have made considerable progress in that respect.

Hon. Mr. Isnor: How are these regional offices termed?

Hon. Mr. Macdonald: They are known as Regional Remission Branches of the Department of Justice.

Probably honourable senators will be interested to know that in 1949 there were 907 people allowed out on ticket of leave, but only 87 of those were under the supervision of any agency.

In 1956, out of a total of 1,423 allowed out, 1,037 were under the supervision of social agencies. A number of these persons had practically finished their term, so they did not have to be supervised.

My honourable friend said there had been an increase in the number sent to penitentiary.

Hon. Mr. Croll: There was only an increase of one this year over last year.

Hon. Mr. Macdonald: He mentioned also that recidivism was greater than in previous years. I do not know how we can account for that. The only thing I can say is that practically every inmate of a penitentiary is there because of a second offence. Only those who receive sentences of two years or more are sent to penitentiary, and most men on their first conviction do not receive a sentence of two years. It naturally follows that the large percentage of those in the penitentiary are second-offenders. My great concern has been that a man who gets out of penitentiary shall not become a third-offender. We have no figures on how many inmates are third offenders.

My honourable friend referred to a subject which has given the department, judges, and everyone interested in prisoners great concern: that is, the difference in the lengths of sentences which are meted out. It is a very difficult matter. I think anyone who has had anything to do with criminals, any lawyer who has appeared before the courts, knows how hard it is to properly apportion the sentence to the crime. The degree of criminality is not always the same. Men are brought up in different surroundings and commit crimes under varying circumstances.

Hon. Mr. Reid: Is there any factual evidence to show that leniency by way of reduction of sentences is effective in curing or helping to reduce crime? I have been interested in the growing trend to reduction of sentences and releases on probation.

Hon. Mr. Macdonald: I cannot say what evidence there is on that matter. I do know, however, that when a man is put in a penal institution he is not allowed out before the completion of his sentence, unless it is believed that he has become reformed to the extent that probably he will not commit crime again. If it is believed that a man has served sufficient time and has shown evidence of improvement, and that probably his feelings toward the community as a whole have so changed that he can properly take his place in society, he is released. As a general rule, first-offenders are allowed out after they have served half their sentence. The rule, however, is flexible; sometimes the period is less, sometimes more.

Hon. Mr. Euler: The rule does not apply to crimes of violence, does it?

Hon. Mr. Macdonald: Generally speaking, it does not apply, although there is nothing to prevent its application if it is felt that the convicted man has put himself in a position to regain his place in society and associate peaceably with his fellowmen.

I was asked what progress is being made in the implementation of the recommendations in the Fauteux report. I have already made specific reference to directions in which, I feel, considerable progress has been made. In order to put into effect what are probably the most important of the committee's recommendations, it is necessary to enter into an arrangement with the provincial Governments. One of the more important recommendations is that the federal Government should take over the supervision of all persons committed to jails for six months or more. At the present time the federal Government's responsibility is limited to those committed to an institution for two years or more. If the recommendation is adopted the federal Government will have to take over many of the institutions which are now conducted by provincial authorities. There are other proposals which must be worked out with the provinces. In the fall of last year officials from the departments of the Attorneys General of most of the provinces held a preliminary meeting at Ottawa. Although all the provinces were not represented, because some Legislatures were in session, every province expressed its interest in this matter. Considerable progress was made, and reports have been received from the provincial Governments as to how the scheme may be worked. The contents are being co-ordinated in one document, a copy of which will be sent to each province. Planning to give effect to these recommendations has been more difficult than may be supposed, but I can assure the house that considerable progress is being

made, and that the Fauteux report will not be pigeon-holed.

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

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

Hon. Mr. Macdonald: Next sitting.

EXCHEQUER COURT BILL

COMMITTEE AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the Standing Committee on Banking and Commerce to Bill 160, an Act to amend the Exchequer Court Act.

Hon. Mr. Hayden moved concurrence in the amendment.

He said: Honourable senators will recall the debate which took place on this bill, and that it had reference to the proposed limitation of distance of the residence of the Registrar of the Exchequer Court from the city of Ottawa. The words in the bill which required that he "shall reside at the city of Ottawa or within five miles thereof" were stricken out. The feeling of the committee was that the main consideration was that he attend to his job, at the place where his job is waiting for him, and that, within those limitations, where he chooses to live is for him to determine.

Hon. Mr. Croll: Why was the limitation originally put in the bill? Is it a long-standing one? What was its purpose?

Hon. Mr. Hayden: As I understand it, it resembles the limitations in the Judges Act in relation to the Supreme Court of Canada. The committee were told that this restriction dates back to the early nineteen hundreds, or possibly prior to 1900; and of course one can understand that, with the methods of transportation available in those days, residence could not be established very far from the home base. It was important that a judge, for instance, should be able to get to his court in a reasonable time. With the present rapid means of transportation, and the desirability of living farther away from the congestion of a city, that necessity does not seem to exist any longer.

The motion was agreed to, and the amendment was concurred in.

THIRD READING

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

Hon. Mr. Hayden: I move the third reading now.

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

DIVORCE AND ANNULMENT BILLS

SECOND READINGS

Hon. Arthur W. Roebuck, chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill V-9, an Act for the relief of Margaret Chapman Ramsay.

Bill W-9, an Act for the relief of Victoire Bergeron Rougeau.

Bill X-9, an Act for the relief of Paul Emile Doucet.

Bill Y-9, an Act for the relief of Andre Michel Allard.

Bill Z-9, an Act for the relief of Tekla Stefura Lawrentowycz, otherwise known as Tillie Stefura Lorentowich.

Bill A-10, an Act for the relief of Joseph Fernand Gerard Mallette. (Annulment).

Bill B-10, an Act for the relief of Mary Helen Joyce Lamberg Elfstrom.

Bill C-10, an Act for the relief of Joan Gertrude Mitchell Sams.

Bill D-10, an Act for the relief of Eileen Madeleine Conroy Wettlaufer Sobie.

Bill E-10, an Act for the relief of Esther Kahn Colomay.

Bill F-10, an Act for the relief of Doris Jean Lussier Strike.

Bill G-10, an Act for the relief of Mary Freeman Kurtaz, otherwise known as Mary Freeman Curtis.

Bill H-10, an Act for the relief of Gilbert Jacques Lafontaine.

Bill I-10, an Act for the relief of Shirley Chernofsky Rynd.

Bill J-10, an Act for the relief of Roy Porter.

Bill K-10, an Act for the relief of Miloslawa Zaleska Boski.

Bill L-10, an Act for the relief of Marie Marcelle Therese Dagenais Chesnel.

Bill M-10, an Act for the relief of Marie Louise Armand Josephine Wouters Haire.

Bill N-10, an Act for the relief of Robert Carruthers Burnside.

Bill O-10, an Act for the relief of Leon Gass Estabrooks.

Bill P-10, an Act for the relief of Irene Myra Cohen Auerback.

Bill Q-10, an Act for the relief of Brenda Iris Gibson Dunbrack.

Bill R-10, an Act for the relief of Geraldine Lenore Dowd Costigan.

Bill S-10, an Act for the relief of Eugenia Liontos Anderson.

Bill T-10, an Act for the relief of Molly Leibovitch Beane.

Bill U-10, an Act for the relief of Doris Katz Moscovitch.

Bill V-10, an Act for the relief of Jean Denis. (Annulment).

Bill W-10, an Act for the relief of Grayce Marion Mack Campbell.

Bill X-10, an Act for the relief of Genowefa Tkaczyk Janeczek.

Bill Y-10, an Act for the relief of Marion Stewart Whitehouse McCormick.

Bill Z-10, an Act for the relief of Shirley Jean Weir Villeneuve.

Bill A-11, an Act for the relief of Herbert Marshall Connell.

Bill B-11, an Act for the relief of Earl Morrison.

Bill C-11, an Act for the relief of Joseph Roger Fernand Masse.

Bill D-11, an Act for the relief of Anita Bernice Rosnick Joseph.

Bill E-11, an Act for the relief of Harry Nutbrown.

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

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

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 21, 1957

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

Prayers.

Routine Proceedings.

APPROPRIATION BILL NO. 2

FIRST READING

A message was received from the House of Commons with Bill 280, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1957.

The bill was read the first time.

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

Hon. Mr. Macdonald: Honourable senators, may I ask that this bill be placed on the Order Paper for second reading, as the first order of business, at the next sitting of this house?

Hon. Senators: Agreed.

DEBATE PROCEDURE

SECONDING OF MOTION

Hon. Jean-Francois Pouliot: Honourable senators, I have a correction to make to yesterday's *Minutes of Proceedings and Debates of the Senate*. The motion that I sponsored concerning the distribution of the Senate work among its members was seconded by the honourable senator from Halifax North (Hon. Mr. Connolly) as well as by the honourable senator from Stadacona (Hon. Mr. Desureault), but in the records the honourable senator from Stadacona is shown as the only seconder.

The Hon. the Speaker: I would remind the honourable senator from De la Durantaye (Hon. Mr. Pouliot) that it is the custom in this house to have only one seconder to a motion.

Hon. Mr. Pouliot: May it please your Honour: when I mentioned yesterday that the motion had two seconders, no one took objection, so I was surprised when I did not find my words in either the *Minutes of Proceedings or Hansard*. For me, the more seconders of a motion, the more important the motion may be.

The Hon. the Speaker: The honourable senator may be right in his logic, but I can see indefinite possibilities if this procedure

were followed to any great extent. I will make inquiry from the officers of the house, but my impression is that it is customary to proceed with one seconder only.

Hon. Mr. Pouliot: I was doubly honoured.

Hon. Mr. Macdonald: It was doubly seconded.

DIVORCE

REPORTS OF COMMITTEE

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 295 to 309, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

BILLS—FIRST READINGS

Hon. Mr. Gershaw presented the following bills:

Bill G-11, an Act for the relief of Jeanette Goldman Baskin.

Bill H-11, an Act for the relief of Henry John Bushby.

Bill I-11, an Act for the relief of Yvette Roby Pinard, otherwise known as Yvette Roby Beauchemin.

Bill J-11, an Act for the relief of Marion Augusta Butler Thomas.

Bill K-11, an Act for the relief of Frederick William Cummings.

Bill L-11, an Act for the relief of Lucy Lavinia Munford Macdonald.

Bill M-11, an Act for the relief of Dorothy Eileen Worsdell Cantlie.

Bill N-11, an Act for the relief of Aurora Josephine Moretti Guimond.

Bill O-11, an Act for the relief of Samuel Goulding.

Bill P-11, an Act for the relief of Elizabeth Harris Bobula.

Bill Q-11, an Act for the relief of Georges-Etienne Cartier.

Bill R-11, an Act for the relief of Pauline Verdoni Di Fruscia.

Bill S-11, an Act for the relief of Lawrence Robson Moore.

Bill T-11, an Act for the relief of Jadwiga Uzar Ziomko, otherwise known as Hedwig Uzar Ziomko.

Bill U-11, an Act for the relief of Eleonor Butkieviciute Springeliene Springelis.

Bill V-11, an Act for the relief of Harry Edward Beard.

Bill W-11, an Act for the relief of Shirley Ann Doris Hobbs Cleary.

Bill X-11, an Act for the relief of Charles Richard Allen.

Bill Y-11, an Act for the relief of Eveline Dora Giroux Gunhouse.

Bill Z-11, an Act for the relief of Mary Weiner Brown.

Bill A-12, an Act for the relief of Simone Habel Tanguay.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. Gershaw: With leave, I move the second readings now.

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

THIRD READINGS

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

Hon. Mr. Gershaw: Honourable senators, since there will be very few more sittings of the Miscellaneous Private Bills Committee in the other place this session, it is desirable to have these bills passed here as soon as possible. Therefore, if I may have unanimous consent, I will move third readings now.

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

ADJOURNMENT

Hon. Mr. Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Monday next at 8 o'clock in the evening.

The motion was agreed to.

PRISONS AND REFORMATORIES BILL

THIRD READING

Hon. Mr. Macdonald moved the third reading of Bill U-9, an Act to amend the Prisons and Reformatories Act.

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

DIVORCE AND ANNULMENT BILLS

THIRD READINGS

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill V-9, an Act for the relief of Margaret Chapman Ramsay.

Bill W-9, an Act for the relief of Victoire Bergeron Rougeau.

Bill X-9, an Act for the relief of Paul Emile Doucet.

Bill Y-9, an Act for the relief of Andre Michel Allard.

Bill Z-9, an Act for the relief of Tekla Stefura Lawrentowycz, otherwise known as Tillie Stefura Lorentowich.

Bill A-10, an Act for the relief of Joseph Fernand Gerard Mallette. (Annulment).

Bill B-10, an Act for the relief of Mary Helen Joyce Lamberg Elfstrom.

Bill C-10, an Act for the relief of Joan Gertrude Mitchell Sams.

Bill D-10, an Act for the relief of Eileen Madeleine Conroy Wettlaufer Sobie.

Bill E-10, an Act for the relief of Esther Kahn Colomay.

Bill F-10, an Act for the relief of Doris Jean Lussier Strike.

Bill G-10, an Act for the relief of Mary Freeman Kurtaz, otherwise known as Mary Freeman Curtis.

Bill H-10, an Act for the relief of Gilbert Jacques Lafontaine.

Bill I-10, an Act for the relief of Shirley Chernofsky Rynd.

Bill J-10, an Act for the relief of Roy Porter.

Bill K-10, an Act for the relief of Miloslawa Zaleska Boski.

Bill L-10, an Act for the relief of Marie Marcelle Therese Dagenais Chesnel.

Bill M-10, an Act for the relief of Marie Louise Armand Josephine Wouters Haire.

Bill N-10, an Act for the relief of Robert Carruthers Burnside.

Bill O-10, an Act for the relief of Leon Gass Estabrooks.

Bill P-10, an Act for the relief of Irene Myra Cohen Auerback.

Bill Q-10, an Act for the relief of Brenda Iris Gibson Dunbrack.

Bill R-10, an Act for the relief of Geraldine Lenore Dowd Costigan.

Bill S-10, an Act for the relief of Eugenia Lontos Anderson.

Bill T-10, an Act for the relief of Molly Leibovitch Beane.

Bill U-10, an Act for the relief of Doris Katz Moscovitch.

Bill V-10, an Act for the relief of Jean Denis. (Annulment).

Bill W-10, an Act for the relief of Grayce Marion Mack Campbell.

Bill X-10, an Act for the relief of Genowefa Tkaczyk Janeczek.

Bill Y-10, an Act for the relief of Marion Stewart Whitehouse McCormick.

Bill Z-10, an Act for the relief of Shirley Jean Weir Villeneuve.

Bill A-11, an Act for the relief of Herbert Marshall Connell.

Bill B-11, an Act for the relief of Earl Morrison.

Bill C-11, an Act for the relief of Joseph Roger Fernand Masse.

Bill D-11, an Act for the relief of Anita Bernice Rosnick Joseph.

Bill E-11, an Act for the relief of Harry Nutbrown.

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

MUNICIPAL GRANTS BILL

SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill 158, an Act to amend the Municipal Grants Act.

He said: Honourable senators will recall that municipal grants were first paid in lieu of taxes on federal properties in February, 1950, under municipal grants regulations, and that later those regulations were put into statutory form. Under the original formula, annual grants were limited to 75 per cent of a tax rate applied to the value of the federal property in a municipality in excess of 4 per cent of the aggregate of taxable and federal property in the municipality.

The original formula was applied in determination of grants in lieu of taxes for five years, that is from 1949 until 1954. During that time 48 municipalities were in receipt of annual grants totalling approximately \$3 million. Honourable senators will recall that in 1955 the Municipal Grants Act was broadened substantially in scope. The percentage of federal property in the municipality which would enable a municipality to obtain grants was reduced in that year from 4 per cent to 2 per cent. It will be recalled that when the grants were paid originally only 75 per cent of the tax applicable was taken into consideration for the grant—that is, 75 per cent over 4 per cent. But in 1955 that limit of 75 per cent was taken off and grants were made on 100 per cent, provided the federal property in the municipality was over 2 per cent of the aggregate. To put it in other words, as the honourable senator from Ottawa West (Hon. Mr. Connolly) has suggested, grants were made on 100 per cent of 98 per cent of federal property in a municipality.

Hon. Mr. Haig: Provided it was over 2 per cent.

Hon. Mr. Macdonald: If the municipality had federal property within its boundaries of the value of less than 2 per cent of the taxable property, then no grant was made to that municipality.

Hon. Mr. Haig: That is correct.

Hon. Mr. Macdonald: But if it were over 2 per cent, then 100 per cent of the tax was paid.

Hon. Mr. Haig: That is correct.

Hon. Mr. Macdonald: This bill takes the 2 per cent limit out of the act. The bill provides that the Government will make grants in respect to 100 per cent of the taxes on federal property.

Hon. Mr. Quinn: Would that include railway property?

Hon. Mr. Macdonald: I believe railway property comes under another provision.

There are exceptions, and honourable senators will find them listed in the bill. I will not go over all the exceptions, but, generally speaking, the payment of grants does not apply to park land, nor to museums and the land used for such institutions.

Hon. Mr. Euler: Does the Government also pay taxes for local improvements?

Hon. Mr. Macdonald: Yes, the bill provides for the making of grants for local improvement taxes. There are provisions for special cases also. For instance, there may be a concentration of Government property in one municipality, which receives a grant in lieu of taxes, whereas an adjoining municipality receives no grant, notwithstanding the regular use of the streets of that adjoining municipality by people going to and from the concentration of property. In such circumstances a grant can be paid to the adjoining municipality.

The bill also provides for a case where, for instance, in a municipality eligible for a grant, a park land has on it a residence which is not used in connection with the park. A grant would be made in lieu of taxes on that residence.

There is also provision for grants with respect to land which is used in connection with airports. Also, where there is, as at Gagetown, New Brunswick, a concentration of federal buildings and activities, the Government can enter into a special arrangement with the province in connection with the property.

Another provision relates to the city of Ottawa. In general, the act prevails in respect of Government properties in Ottawa, but in respect of the Houses of Parliament, comprising the Centre Block, the Library, the lands

west of the East Block and east of the West Block, from Wellington Street to the river, a grant is not made in lieu of taxes but a lump sum is payable in respect of these properties to the city.

I believe I have mentioned the main features of this legislation. Probably honourable senators would like to have more details, so when the bill has received second reading today I shall propose that it be referred to the Standing Committee on Banking and Commerce, where departmental officials can appear to give honourable members any further information they desire.

Hon. Thomas Reid: Honourable senators, I should like to say a word or two about this bill, and the reason I am speaking today is that I have to leave on Saturday to attend to duties connected with the International Pacific Salmon Fisheries Commission.

In the first place, I commend the Government for having introduced this bill. It is progressive legislation and, I believe, will be well received in every province. I compliment the Government upon the provision which relieves it from acceptance of assessments of local assessors. For the past four years, in the province and the municipality where I reside, assessments have been increasing each year. Until about two years ago I thought that the local assessor was to blame for the continuing method of raising assessments every year, but on investigation I learned that the assessors act on orders of the provincial Government, which has taken the assessment of property completely out of the hands of the local authorities, by issuing direct instructions to every municipal assessor that provincial directions in respect of assessments must be followed to the letter. And so, for the past four years the assessments have been going up and up, and if under the present regime in British Columbia we are to receive \$28 a year, as promised by the Premier, all it amounts to is a return to us of some of the money which the Government has stolen or taken from us during the past four years.

Before the provincial authorities intervened to regulate assessments, property owners aggrieved by valuations of assessors were able to go before a court of revision, composed of men responsible to the people and required to come before the people, or rate-payers, for re-election. If you felt that you had not obtained justice in that court, you could appeal to the judge of the county court. That process has entirely disappeared in the province of British Columbia. An order comes from Victoria to the assessors to raise assessments to certain heights, and if an owner is dissatisfied he may take his

case to a so-called court, which consists of three persons appointed by the Government.

Hon. Mr. Euler: May I ask whether a property can be assessed at more than its value?

Hon. Mr. Reid: Well, there are two different values. Is the honourable senator speaking of the actual value of the property or its sale value?

Hon. Mr. Euler: What value is there beyond the sale value?

Hon. Mr. Reid: What the assessment in British Columbia is based on now is sale value, and not always the actual value. Sometimes sale values go very high, because occasionally certain parties are willing to pay fabulous prices, for particular pieces of property, and that situation affects assessments in the surrounding area. I happen to know, from municipal experience, something about this matter; I do know what is happening out in British Columbia; and that is why I am pleased that the dominion Government is not going to submit to locally-imposed assessments, but will send in its own assessors and ascertain whether the valuations are proper.

I was pointing out that formerly a dissatisfied owner could appeal to a local court of revision and from there to a judge of the county court, but that now one must appear before three provincial Government appointees—they could be henchmen, or otherwise—and if their decision is unsatisfactory the only recourse left is to appeal to a body of three men in Victoria who are also appointees of the provincial Government. This means that one has lost his case before he begins it; to appeal is simply a waste of time. We have lost our rights. So, I reiterate that if a British Columbian is now receiving the \$28 a year which has been promised him from time to time he is merely getting back what was taken from him.

Hon. Mr. Aseltine: Does that mean that taxes are going down?

Hon. Mr. Reid: No. My taxes on a 20-acre block, which were \$25 a year back in 1922, are now \$385, and I am getting little more, if any, added service for my taxes than I got thirty-five years ago. The same road is there, but we are required to pay for the great increase in schools, hospitals and other requirements of people who are coming in, and for construction of new roads.

As regards the province of Alberta, I do not know whether it is realized that a kind of new nationality has been created, because, by Government order, to receive the special allowance or dividend one must now be an

Albertan. I always thought we were Canadians first, and afterwards Albertans, British Columbians, Nova Scotians, Newfoundlanders, or so on, according to the province in which we lived. Now, as far as a person living in Alberta is concerned, he is to be designated an Albertan first. That, to my mind, might start a very unwise trend in this great country of ours.

Hon. Mr. Euler: How long must one be in Alberta before one can become an Albertan?

Hon. Mr. Reid: Five years. Of course, while the people are happy to get anything they can, they would like to be dealt with more generously by the federal Government. Alberta can easily afford *per capita* grants of \$22 because of the oil discovered there, but after all has not every Canadian citizen some interest in the oil of that province? Could Alberta protect its resources if it were a little country standing by itself? It enjoys the benefits from discoveries of oil not because it is Alberta but because it is part of Canada, but its money distributions are made on the basis that no one is entitled to them who has not lived in the province for five years. I say this is wrong. It is high time that Alberta be designated as one of the rich provinces, since it has collected enough money to pay off its provincial debt, and if it has not done so it is merely because its surpluses are more or less concealed. No other province is in so favourable a situation. Every Canadian has an interest in this matter, and it is to emphasize the fact that I have risen to speak this afternoon.

There is one other matter which I should mention and which, I believe, comes within the range of this debate. I would like the honourable Leader of the Government (Hon. Mr. Macdonald) to put a request before the cabinet on behalf of the municipalities and have a note taken of what I am about to suggest. Much is said about health insurance, and the dominion Government is moving a good way in that direction. But one of the first requirements in the promotion of national health is the provision of hospitals. In my own district we cannot build a hospital because it would be necessary to raise the funds in the United States. Ten years or more ago the dominion Government undertook to provide \$1,000 per hospital bed. At that time the cost of providing a bed was between \$3,500 and \$4,000. Now, although the grant has not been increased, a hospital bed costs around \$10,000. I think it is time that this situation be reviewed.

I make no apologies for rising and advocating that some consideration be given the municipalities which, under present high costs of labour and materials, have to pay

larger sums of money for hospital requirements, yet receive only the same grant per hospital bed as they received eleven years ago.

Hon. Mr. Lambert: May I ask the honourable leader (Hon. Mr. Macdonald) a question? Has he any information which would indicate the amount of money represented by the expenditure under this new formula, and also the number of municipalities that would be affected by this legislation?

Hon. Mr. Macdonald: Before the debate is closed I will endeavour to find the information sought by my honourable friend.

Hon. John T. Haig: Honourable senators, I am in a rather peculiar position with respect to this legislation, for I find I want to commend the Government for introducing it. It is one of the most forward steps this Government has taken in some time. I have always bitterly opposed the present system whereby some small communities having a limited amount of federal property can qualify for grants, whereas many larger centres with far more federal property cannot qualify. A municipality has been able to qualify for grants in lieu of taxes provided the federal property in that municipality exceeded in value 2 per cent of the combined value of taxable and federal property. Winnipeg has a large number of federal buildings, but it does not get any grants with respect to them, despite the fact that the city furnishes the usual urban services. The only municipal service the federal Government does not enjoy is that rendered by schools. This bill represents the first real attempt to allocate fairly some of Winnipeg's municipal costs to the dominion Government, in so far as federal property is concerned. The same applies to Vancouver, Toronto and Montreal.

Hon. Mr. Euler: And other places.

Hon. Mr. Haig: What the honourable senator from New Westminster (Hon. Mr. Reid) said about assessment applies, of course, to every city.

The federal Government is not too good, but unless we can have one formed by the Conservative party I would rather have the Liberal party in office than any other. The Government is at least trying to do what is right in this matter. Property values have gone up everywhere and therefore assessments have gone up. I know they have increased materially in Winnipeg. When a private property owner is not satisfied with an assessment that has been made on his property he can appeal to a judge who, after hearing the evidence, will decide the issue. I believe this practice applies throughout Canada.

Hon. Mr. Reid: We have lost all that in our province.

Hon. Mr. Haig: I realize that now. Our system has worked very satisfactorily. No one likes to see assessments go up, but in order to meet rising costs of municipal administration it has been necessary to increase them. They are the only source of municipal revenue. I will not get into any political discussion as to whether there should be other sources.

Honourable senators, as I have said, this legislation is the first real attempt to give the municipalities a break with respect to taxation of federal property, and everyone knows they need this break. I think my honourable friend, the Leader of the Government (Hon. Mr. Macdonald) was right in suggesting that the bill be referred to committee. When we return to our own communities people will ask us about this legislation. As far as the Manitoba senators are concerned, they will be asked about it in Winnipeg, Portage la Prairie, Brandon, Dauphin and other communities. While the minister has given us a full explanation of the bill, I think we would have a better understanding of it if we discussed it in committee with the appropriate officials.

I am not going to indulge in any lengthy discussion about oil right in Alberta, but there is one thing that my honourable friend from New Westminster (Hon. Mr. Reid) missed.

Hon. Mr. Horner: Pipe lines.

Hon. Mr. Haig: I wonder if he knows how the Government of Alberta happened to become the owners of oil rights whereas the Governments in Manitoba and Saskatchewan did not. If he does not know, I will tell him. To begin with, Alberta has the richest coal deposits in Canada, perhaps in the whole world. When the Government of Canada was granting Crown patents in Alberta, especially from 1890 on, it did as it had done in every other province; that is, in making grants of land it conveyed the mineral rights along with the land. Around 1895 people began to discover the wonderful coal properties in Alberta, and bonds were issued and companies were organized. Everything said about the high quality of the coal was true: it was the best in the world. The trouble was that it was found on nearly every quarter-section of land, and as a result more companies were formed than were needed to produce for the market. In order to protect the country against a stampede of companies trying to sell coal, the Government refused to grant oil rights with the land. I think that was largely the policy of a Liberal government. My honourable friend ought to look that up.

Hon. Mr. Aseltine: It reserved the mineral rights.

Hon. Mr. Haig: Yes.

Honourable senators, I think this bill should go to committee. I for one would like a full explanation. If it means, as I think it does, that there will be proper taxation of dominion Government property in every city and municipality in this country where such property exists, then I am all for it.

Hon. T. A. Crerar: Honourable senators, few of us could find fault with the underlying principle of this legislation, although perhaps that needs to be said with some reservation.

We call these municipal grants, but in effect we are inaugurating a system by which the federal Government will pay taxes on its properties in various municipalities throughout Canada. That is the bare bones of the thing. The bill is a very complicated bill, and I am almost impelled to register criticism against the manner in which it is drafted. I do not mind admitting that one day I studied it for several hours and found it difficult to comprehend how the measure would operate, although that may have been my fault. For legislation of this kind it would be much better if the amendments were drafted in a bill along with the old sections of the act that are to be retained. Then it would be before us as a whole, and it would not be necessary to go through two or three other acts and relate them to the amendments proposed here. However, that is by the way.

In one particular this legislation is unique. Let us take, for example, a city in which there is a federal government building, say a post office. The residents of the city have located there and built homes because they wished to work there, or have built shops and factories in the hope of doing business and earning a profit. These people quite properly pay municipal taxes. But the federal Government did not build the post office for the purpose of making a profit; it built it in order to render a service to the people of the community. In that respect, therefore, it appears to me that there is a marked difference between the ordinary business establishment and a Government property.

It is interesting to note that this idea of having the federal Government pay taxes on its property in municipalities is a comparatively new one, which grew out of the necessity of municipalities to obtain additional revenue. Municipal councils said: "Here are federal Government properties. Why can't we get the federal Government, which is supposed at all times to have full coffers, to pay something for the services we render?" It is true that a post office does get certain municipal services in a city. I suppose it gets water

services, for which it pays directly; it gets fire protection; it gets police protection. I think it is only fair that for these services the federal Government should give some compensation.

On the broader field, I feel bound to say that I have some reservations. Take the city of Ottawa as an illustration. This city has benefited far more than any other municipality in Canada by reason of the fact that it is the national capital. For instance, no other city has a more assured payroll for employees. I do not know how many tens of millions or scores of millions of dollars the federal Government pays to its employees here, but I do know that the main burden of its payroll is in this city. Of course, that is of real benefit to the varied businesses that are carried on by the citizens of Ottawa. The federal Government spends large sums of money in Ottawa in other ways, as, for example, through the Federal District Commission. I do not know how many millions of dollars is in its budget for the Commission this year. It maintains the thoroughfare known as the Driveway—

Hon. Mr. Connolly (Ottawa West): The federal Government owns the Driveway.

Hon. Mr. Crerar: Yes, it owns the Driveway, but it is maintained as a service for the people of Ottawa. The commission is responsible for cutting the grass on the Driveway boulevards and, for some strange reason which I have never been able to fathom, on Clemow Avenue also, one of the leading streets in the southern part of the city. The federal Government has assisted in building bridges in the city that are a service to the residents of the city. And after the passage of this bill, as the honourable Leader of the Government stated, the only federal Government property in Ottawa that would not come under this legislation is the building in which we hold our deliberations. The East Block, the West Block, the Justice Building, the Confederation Building—all of these can be assessed, and the municipality will receive a tax based on the assessment.

Now that seems to me to be an extraordinary arrangement. I say that for the reason that the City of Ottawa does not spend one cent for police protection in this area; it does not cut the grass or pave the streets; it renders no service to the federal Government in the area from the canal west to the old brewery building.

Hon. Mr. Baird: Does it supply fire protection?

Hon. Mr. Crerar: I was going to mention fire protection. If a fire occurred in this building the City of Ottawa Fire Department would come and help to put it out. But apart

from that, this whole area derives no direct benefit from the city. I believe I am correct in that statement. It seems to me that this whole area should have been exempted from the application of the act.

I hope that the bill will go to a committee, because there is a good deal of information which could usefully be received in respect of how it will actually work out.

It is interesting to note that in the past there have been great demands on whatever Government was in power in Ottawa to build public buildings here and there throughout the country. Every person who has had a part in any Government here knows the truth of this statement. Very often the people in the municipalities did not want any small or unimportant buildings; they wanted a substantial and an important one. For instance, in the city of Winnipeg, the federal Government is now completing a post office building. I do not know what its total cost will be, but the original estimate was from \$12 million to \$15 million. In all my experience, honourable senators, I have never known a Government building to be constructed for less than the estimate given. Now what does this mean? It means that the federal Government will pay taxes on a much higher assessment in Winnipeg because of the erection of the post office. And that, let me repeat, will be because of a building on which the Government does not make directly one cent of profit; it is a building which is for service to the community.

Perhaps my thinking is wrong, but I doubt the wisdom of the principle of imposing taxes on buildings for which the people in the community do not pay directly, and which buildings are supposed to give a service. I can well foresee that a prudent Minister of Finance and a prudent Government will hereafter look very carefully at requests that come from members of constituencies, or groups of constituencies, for federal buildings.

Hon. Mr. Reid: I doubt it.

Hon. Mr. Crerar: My friend doubts it. Perhaps he may be right in the current way of thinking, because our present philosophy is one of spending, spending, and never thinking of tomorrow.

Honourable senators, I ask you, what is the sense of going out and spreading public buildings all over Canada if we thereby put an additional burden on the treasury? What that burden will be no one knows. It may be that as of now a sum of \$12 million or \$15 million will have to be paid by way of taxes—we call them municipal grants, but they are taxes—to municipalities all across Canada. Where will the \$12 million or \$15

million come from? It will have to come from taxes collected by Ottawa.

Hon. Mr. Aseltine: This is one way of helping the municipalities.

Hon. Mr. Crerar: The people of the municipalities pay directly, as by income tax, or indirectly, as by sales tax, the amount that goes back to them by way of municipal grants. I have not yet discovered any people in Canada who do not pay taxes to the federal Government. Even the "panhandler" who walks up and down Wellington Street pays taxes in some form or other to the federal Government.

Hon. Mr. Quinn: They are bound to get you.

Hon. Mr. Crerar: I was pleased to hear the honourable leader say he intends to move that the bill be referred to committee. When it reaches the committee I think we should have some questions to ask with a view to getting a little better understanding of how the legislation is likely to operate.

This is an important measure; there is no doubt about that. It is important because of the adoption of the principle that henceforth federal Government property, wherever it may be situated, will, with certain exemptions such as monuments and parks, pay tax. And I am almost prepared to predict that within a few years there will come a demand that the federal Government should pay taxes on historic sights and parks throughout Canada.

Hon. Mr. Baird: May I ask a question of the honourable senator? He made a statement to the effect that the post office did not make any money, that it just rendered a service to the people. Well, I think if he looks at some figures of the past he will find that the post office has made considerable money, as have other government departments which function in various cities.

Hon. Mr. Smith (Queens-Shelburne): What about the Department of National Revenue?

Hon. Mr. Baird: These departments are all doing business in their own way.

Hon. Mr. Crerar: The Department of National Revenue has no balance sheet. I do not know whether the post office has one, but if it has it will show back over the years a balance on the deficit side more often than on the profit side.

Hon. Mr. Baird: That may be, but it still makes a profit.

Hon. Mr. Crerar: True, the post office sells stamps, but that is a service to the community.

I overlooked mentioning one point. The Department of Public Works builds post

office buildings and gets no revenue from them. We discovered that fact in one of our committees not long ago. If it were on a strictly business basis, the Department of Public Works would charge the Post Office Department rent, but it does not do so. The Post Office Department gets the building free.

I trust I have not wearied honourable senators, and that what I have suggested may be of some interest to the house.

Hon. William M. Wall: Honourable senators, I should like to make a few observations on the bill itself, and to bring to your attention some aspects of the problems which are related directly and indirectly to this legislation. The honourable Leader of the Government (Hon. Mr. Macdonald) has given a very excellent account of the background of the legislation since 1950, and I should not like to enter upon this phase of the discussion.

The principle of Bill 158 is simple and direct. It provides for the payment of the equivalent of full municipal taxes on federal property, as defined, with some exceptions. We are dealing here with a more comprehensive approach than there has been in the past, extending still further the principle of the original grants formula of 1950, and removing more of the exemptions from local municipal taxation which the Crown has enjoyed for a very long time. We are, as it were, witnessing the gradual liquidation of the former premise that the federal Government need not share the cost of local municipal services provided by local governments.

Although arguments are being advanced that the extension of this municipal grants program is not motivated by present municipal fiscal need, which is a direct provincial matter and not really the purpose of this bill, the net result of this bill will be to increase the transfer of federal local revenues to municipalities in the form of grants, even though we may defend them as a voluntary act of grace. It is immaterial whether this extension is *ex gratia* or *ex justicio*; the fact remains that the character of the local services is changing drastically under the impact of modern conditions, and the needs of the municipalities will have to be more carefully considered by the higher levels of government, be it directly or indirectly.

In a practical sense, from some 500 recipient municipalities and grants amounting to \$9½ million, this legislation will bring to an estimated 1,300 municipalities payments amounting from \$16 million to \$20 million per year. Please note that this additional assistance to municipalities is not very substantial when one considers that, for the year ended December 31, 1954, municipalities in effect had a deficit of expenditures over receipts of almost 40 per cent, and at that

time the receipts were in the neighbourhood of over \$800 million. The need at the municipal level for more revenue appears urgent, and I may have more to say about it later.

I should like to draw attention to an expected collateral result of this legislation, which will probably be the acceptance of this principle of paying the equivalent of full municipal taxation, also on similar types of property owned by Crown corporations. To me it is inconceivable that Crown corporations will not follow the leadership of the federal Government in this regard, although the practical application of this principle will require careful study and adjudication.

The present bill contains an excluding section concerning properties owned by Crown corporations, tax grants on which are still subject to negotiations. I understand that present Crown corporation payments range from a low of 15 or 20 per cent to a high of 100 per cent of taxation, as in the case of the Polymer Corporation. The impact of the voluntarily accepted principle contained in Bill 158 will necessitate interesting changes in these negotiations between municipalities and Crown corporations so that they may be in line with the basic hypotheses in this bill. Consequently we welcome the assurances that this problem is going to receive active consideration by the Ministry of Finance and by the Crown corporations themselves.

I believe the net result of this bill will be more financial assistance to municipalities, in an amount of roughly, \$8 million to \$10 million per year. Whether directly or indirectly, this bill is an acknowledgment of the existence of financial need at the municipal level.

This brings into focus the whole problem of the division of revenue between the various governmental jurisdictions in Canada. This basic problem needs constant and continued review. It needs understanding and an avoidance of misconceptions and partial truths.

For example, figures are often quoted that the federal Government takes 75 per cent of all the taxation revenue and leaves the provinces and the municipalities to struggle along as best they can with the remaining 25 per cent. This estimate is high, at the very best, and it must be corrected. The figures for 1953-54, which are complete, show the percentages as 71 for the federal Government, 16 per cent for the provincial Governments, and 13 per cent for municipal Governments. But that does not take into account the intergovernmental transfers, and these are very, very substantial indeed. In the White Paper for 1956 these transfers from the federal Government to the provincial Governments are estimated at close to \$400

million. So, if one makes these corrections at the three levels, the percentages for the year I have mentioned change to 64 per cent for the federal Government, 19 per cent for the provincial Governments and 17 per cent for the municipal Governments.

And that does not tell the whole story, because the character of the federal Government expenditures and the demands on the federal treasury have changed beyond recognition since the pre-war years, or 1939, which is often taken as the base point for comparison. We must know that the change in the past decade or so has been tremendous, and if we want to make an analysis—and one has been made by competent financial people—in an attempt to relate the present expenditure of the federal Government to the kind of demands that existed back in 1939; and if we delete the increase in defence expenditures and veterans' pensions, the debt charges, and all the new social welfare costs, and then if we make similar adjustments on the provincial and municipal levels, we find the relative position is roughly the same as in 1939, when the federal Government was taking a little over 40 per cent of the taxation revenue, the provincial Government took 32 per cent or thereabouts, and the municipal Governments got 28 per cent.

I am raising these points because there is too much talk—I will not call it misguided—about the tremendous amount of money that is taken by the federal Government, and the problem needs to be analyzed a little more fully.

Honourable senators, I would again draw your attention to the problem of municipal taxation and fiscal need at the local level. I would point out that the latest consolidation of public finance statistics, for the year ending December 31, 1954, after transfer payments, shows that the federal Government received \$4,204,469,000 and expended \$4,056,161,000. You will notice there is a surplus at the federal level. However, at the provincial level the receipts totalled \$1,054,979,000 and the expenditures totalled \$1,349,385,000. That represents a deficit of almost 30 per cent. Much the same picture exists at the municipal level where the receipts were \$885,082,000 and the expenditures \$1,214,033,000, a deficit of almost 40 per cent.

At page 17 of the White Paper, with relation to the latest year's expenditures, it is stated:

Expenditures by provincial and municipal Governments rose by \$364 million or 13 per cent while revenues increased by \$254 million or 9 per cent and the deficit more than tripled and reached a level of \$157 million. In the federal accounts, excluding the adjustment for the accrual of corporation taxes mentioned above, receipts increased by

\$764 million or 16 per cent and expenditures rose by \$264 million or 6 per cent. As a result, the 1955 deficit of \$14 million gave way to a surplus of \$486 million in 1956.

Honourable senators, all I am trying to do is to point out that the problem of fiscal need at the municipal level is very grave indeed. It becomes more so when you think of the Gordon Commission's projections of social capital expenditures at municipal levels during the next 25 years.

All this points up the continued need to have under constant review the revenue allocations among the various governmental jurisdictions in Canada. To this problem I would hope this honourable chamber would make its significant contribution through continued study in the future, perhaps on a more fully organized basis.

I for one welcome the introduction of this legislation as an important move toward evolving a more comprehensive approach to the whole problem of division of responsibilities and revenues among the three basic governmental jurisdictions in Canada.

Hon. Mr. Macdonald: Honourable senators, perhaps I could avail myself of this opportunity to answer the questions raised earlier in this debate by the honourable gentleman from Ottawa (Hon. Mr. Lambert). First of all, let me give a brief outline of some of the legislation under which payments have been made to municipalities in lieu of taxes. In their original form the annual grants were paid to the extent of 75 per cent of the tax applicable on the value of federal property in excess of 4 per cent of the aggregate of taxable and federal property in the municipality.

Amendments were made to the Municipal Grants Act in 1955, and the number of municipalities receiving grants increased to 500. Total payments in the current fiscal year are estimated at \$9½ million.

With the unanimous consent of the house I would like to place on *Hansard* a table setting forth the payments to municipalities since the inception of the municipal grants program.

Hon. Senators: Agreed.

Hon. Mr. Macdonald: The table is as follows:

Year	Amount
1950-51	\$1,578,000
1951-52	2,038,000
1952-53	2,592,000
1953-54	2,975,000
1954-55	3,047,000
1955-56	6,987,000
1956-57 (estimated)	9,590,000

To answer specifically the inquiry of the honourable senior senator from Ottawa (Hon. Mr. Lambert): it is estimated that about 1,300

municipalities will benefit from this act, and that the estimated total annual payments will range between \$16 million to \$20 million.

The Hon. the Speaker: Honourable senators, I take it that these remarks by the honourable Leader of the Government (Hon. Mr. Macdonald) do not close the debate.

Hon. Mr. Macdonald: That is right, Mr. Speaker. I was merely answering the inquiry of the honourable senator from Ottawa.

Hon. W. D. Euler: Honourable senators, while I confess that I do not understand all the implications of this rather complicated bill, I am inclined to approve of it in principle. It makes an approach, perhaps a complete one, toward correction of the injustice that has been going on for many years in connection with the payment of taxes by the federal Government on its property in various municipalities throughout Canada. Those of us who have been connected with municipal Governments—as I was a good many years ago—have always resented that the federal Government has been able to escape municipal taxation on its properties. I understand now from remarks of the senator from New Westminster (Hon. Mr. Reid), that the Government does not propose to accept the assessments made by municipal officials, but will make its own assessments. Is that correct?

Hon. Mr. Macdonald: I do not think that could be read into the bill.

Hon. Mr. Euler: That is what I understood from what was said by my friend from New Westminster. If that were the case and the Government were going to base its grants on some other formula, I could see that that might not be altogether fair, even though it resulted in a more reasonable arrangement than we have had in the past. I was going to argue that the Government should accept the assessments made by the local municipal assessors. The Government should pay the same rate of taxation as that paid by private property owners. Perhaps here I shall encroach on provincial rights, for municipal taxation is a matter entirely under provincial jurisdiction.

I may be out of order in saying this, but I do not see why the owners of real estate should have to provide by way of taxation all the revenue that municipalities require. Whether conditions in our provinces are the same I cannot say, but in Ontario practically all this revenue comes from taxation on real estate. Though I am not a large owner of real estate, I would like to know the reason for this. Every man who owns property in

my city pays the cost of paving the street in front of his property, although everybody is at liberty to use the street. As to police protection, schools, et cetera, why should real estate pay for these and all other services that the municipalities render? I confess that I do not know the remedy. In most towns and cities many people do not own any real estate at all; some are landlords and some are tenants. It may be argued that the tenant pays taxes through the rent on the property he occupies, but I do not think that is entirely true. There are men such as some of my colleagues—I will not mention names—who perhaps own no real estate, but who own bonds, stocks and other securities, from which they receive dividends, and yet who do not pay a single cent for police protection, the education of their children and all the rest of the services rendered by the cities in which they live.

I think the whole system of taxation as between municipalities, the provinces and the dominion Government ought to get an overhauling. I admit it would be a difficult job. Years ago municipalities did not assess properties up to their value; that is very well known. I can remember when in my home city of Kitchener the assessment was about 40 per cent of actual value. We had a municipal income tax at that time. If a property was assessed at 50 per cent of the value, the tax rate might have been, say, 40 mills. Of course, it would be double that now. If that property had been assessed at its proper value of 100 per cent, the tax rate should have been 20 mills. The income tax was calculated on the full income; if it had been on 50 per cent of income the taxpayer would have paid only half of what he was obliged to pay. That is merely an illustration of anomalies that exist in our taxation system.

Honourable senators, I favour the intent of the bill. As I have said, I do not know all the implications of it, and for that reason I favour referring the bill to a committee.

Hon. Norman P. Lambert: Honourable senators, there are two or three features of this bill that I wish to mention.

In the first place, my motive in asking for information from the Leader of the Government (Hon. Mr. Macdonald) was simply to save my generous minded friend the senator from New Westminster (Hon. Mr. Reid) from being put in the position of approving, or asking the Senate to adopt and support, a blank cheque for the expenditure of federal funds in this country. This bill as it stands today, without the information that should be appended to it, is really nothing more or less than a request to underwrite an unknown amount,

arrived at in a way that is not clear to me, or, I think, clear to any member in this chamber. The basis of the assessment that is arrived at to determine the amount of the grants that are to be made by the federal Government should be defined more clearly.

I think it is worth recording that the part of Section 91 of the British North America Act referring to appropriation of public funds provides pretty definitely that federal properties located in provinces and municipalities should not be taxed at all. The federal Government cannot collect any revenues from these sources, and therefore grants have been devised as a means of getting around that provision of the Constitution. The policy of giving grants to the municipalities by the federal Government has been evolving over quite a number of years. Two years ago, when the last edition of the federal grants legislation came to us, the Minister of Finance made it quite clear that, from the point of view of policy, he looked forward to the day when the federal Government would include in its grants payment based on 100 per cent of the assessed value of federal properties located in any municipality. This has been the expressed and avowed policy of the Government enjoying the confidence of this country, as it does—and I need only refer to statements that have been made many times in this house by very distinguished members, including the Right Honourable the Leader of the Opposition of some years ago, that it was not the place of the Senate to oppose in any shape or form established policies on the part of the Government of the day wherever it reflected the will of the people. For that reason I am not opposing this bill, but I very definitely maintain that more information than has been furnished should be available to us in connection with the details. We should have an opportunity in the appropriate committee to ask officials of the Department of Finance just how they figure out the basis of assessment in the various municipalities.

I could say a great deal about the place of the city of Ottawa in this bill, but I hope that possibly in the future we shall have a better opportunity of dealing with the subject when we are considering the Federal District Commission's requirements, which may or may not come before us this session. A joint committee of both houses of Parliament spent six weeks last year inquiring into the relations between the federal authorities and the city of Ottawa; and in connection with this bill, I suggest that a perusal of the evidence, as well as of the final report of that committee—which, although laid on the table in both houses of Parliament, was not discussed at all—would be enlightening to our members at this time. As a commentary upon the

findings of that committee today, one sees only wholesale repudiation by the present Mayor of Ottawa of the main priorities that were recommended in that report. Public expenditures of moneys connected with this year's program of development in this city and district have been recently outlined with the participation and acquiescence of the Government of Ontario, the City of Ottawa, and the Federal District Commission as well. I think these expenditures would bear a good deal of scrutiny by a committee of this house when the proper time comes. This situation is not unrelated to the bill before us, for if I am any judge of it at all the exemptions in connection with the assessed value of federal property in Ottawa result in a pretty unsound basis of assessment.

I hope that the basis of assessment on Government property all over the country is determined in a more accurate way than it is in this community.

My honourable friend from Churchill (Hon. Mr. Crerar) referred to the situation as it exists here in connection with Parliament Hill property. It would be interesting to know what has been the measuring rod for the assessment of Government property in this community as a whole. If the total federal grant is \$15 million or \$17 million, then at least one-quarter of that, or \$3½ million, as I have heard mentioned, should go to the City of Ottawa. I think the least that can be expected is that the Department of Finance, which now has a branch to deal with this problem, should have some idea of how the money is to be distributed and spent.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Lambert: That is especially true in view of what the Prime Minister said in the other house last year, that the Federal District Commission is the best customer the city of Ottawa has. Considering the unique circumstances of the relationship between the federal authority and the municipality in this city, the operation of this legislation is different from that in other municipalities throughout the country. I hope that when the bill goes to committee more light can be shed on the whole question. What officials will be called to explain the application of the bill, will be for the honourable Leader of the Government to decide, but if we could have the Minister of Finance or his deputy, as well as representatives from the municipal branch of that department, which now has quite a large staff, I think it would be desirable and helpful.

Hon. Mr. Reid: And let us hear from the Mayor of Ottawa as well.

Hon. G. Percival Burchill: Honourable senators, while much study may be required as to the working out of the mechanics of this bill, as referred to by the honourable senior senator from Ottawa (Hon. Mr. Lambert), I for one want to go on record as being strongly in favour of the principle of the bill. At the same time I should like to echo the words of the honourable senator from Waterloo (Hon. Mr. Euler), who expressed my sentiments fully.

I do not know whether the municipalities in the west and in other sections of Canada are suffering in the way that the municipalities in my province are,—

Hon. Mr. Reid: We are.

Hon. Mr. Burchill:—but there is evidence everywhere of the strain being placed on municipal officials to present a budget which can be met by the income of the taxpayers in the various municipalities. It is a most pressing and urgent problem.

The burden of taxation rests, as has been said this afternoon, upon real estate; and the important item of cost which causes the taxes to soar every year is for schools.

Hon. Mr. Lambert: May I ask my honourable friend if he thinks the matter of land taxation is a problem of the federal Government?

Hon. Mr. Burchill: Yes, I do.

This legislation provides one way by which the federal government can channel back to the people some of the money taken through income tax, for which they normally get no advantage at all. If the federal Government can use this method to channel some money back to them, all to the good.

As has been pointed out this afternoon, there are in our municipalities some residents who do not own a dollar's worth of real estate and make no contribution to the municipal budget for schools, but who pay a large sum to the federal Government by way of income tax. The situation is altogether out of joint. If there is any way of making an overall study of taxation in Canada at the different levels, I am all in favour of it. It is a difficult task, I know, but it is something which sooner or later has to be undertaken. I again echo what my friend from Waterloo (Hon. Mr. Euler) said this afternoon.

Hon. W. Ross Macdonald: Honourable senators,—

The Hon. the Speaker: Honourable senators, if the honourable Leader of the Government speaks now, he will close the debate.

Hon. Mr. Macdonald:—we have had a full and interesting debate on this important bill. As honourable senators will have observed,

when I explained the bill I did not go over it clause by clause. When I commenced the preparation of my speech this afternoon, I endeavoured to inform myself so as to be able to deal with the bill clause by clause; but I soon realized that such procedure was not advisable with a measure of this kind, but that it would be better to explain the bill in principle and then to refer it to a committee where honourable senators could ask questions directly of the officials. In doing so I was following the prescribed custom of explaining a bill only as to principle on second reading and taking it up clause by clause later.

The honourable senator from New Westminster (Hon. Mr. Reid) raised the question of how the assessment was arrived at, and suggested it should be made by officials of the federal Government. That suggestion was questioned by the senator from Waterloo (Hon. Mr. Euler). I may say it is not the intention of the department to have its own assessors go about the country. I would refer honourable senators to clause 3 of the bill.

Hon. Mr. Reid: It provides for a checking of the assessment.

Hon. Mr. Macdonald: It gives the basis of the calculation of the grant.

Hon. Mr. Reid: But that calculation is not necessarily acceptable.

Hon. Mr. Macdonald: It may not necessarily be acceptable. May I read subsection 3 of the new section 5:

(3) The minister may, in determining the amount of any grant to a municipality under this section, deduct from the amount that might otherwise be payable

(a) an amount that, in the opinion of the minister, represents

(i) the value of a service that is customarily furnished by the municipality to real property in the municipality and that Her Majesty does not accept in respect of federal property in the municipality . . .

As I understand it, that clause would have application to the city of Ottawa, where a grant is made by the Federal District Commission and certain lands get the benefit of that grant; and when the value of that land is fixed for payment of grants in lieu of taxes the amount of the payment by the Federal District Commission to the city would be taken into consideration. I trust I do not make it seem too complicated.

Hon. Mr. Isnor: May I ask the honourable Leader of the Government whether it is not so that in 1950 a board composed of three men was set up to deal with the various municipalities in Canada which apply for grants?

Hon. Mr. Macdonald: I believe there was some such arrangement. I do not know that a board was in fact set up, but I understand the

lands on which grants were made in lieu of taxes were examined by a representative from the department. But honourable senators will recall that at that time a very limited number of municipalities were affected by the act. Under the present legislation the assessments will be reviewed, particularly in the light of section 3 of the bill which carries the marginal note "Calculation of grant".

I thank honourable senators for the interest they have taken in this bill and for their free expression of opinion. When the bill receives second reading, I shall move that it be referred to the Banking and Commerce Committee, and I shall immediately get in touch with the Department of Finance and suggest that the appropriate officials of that department appear before the committee. It is my hope that the committee would be able to meet on Tuesday morning next.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Isnor: Would the honourable Leader of the Government reply to a question raised by one of the previous speakers with respect to Crown properties? I am under the impression that some provision was made with respect to the fact that certain Crown properties should bear a share of the tax.

Hon. Mr. Macdonald: I do not understand to what my friend refers. All property owned by the Government is Crown property.

Hon. Mr. Isnor: I have reference to property occupied by Crown companies.

Hon. Mr. Macdonald: Property owned by Crown companies is not covered by this bill.

Hon. Mr. Isnor: Not covered at all?

Hon. M. Macdonald: No. The Crown companies now pay their taxes and make their arrangements direct with the municipalities.

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

REFERRED TO COMMITTEE

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

PRIVATE BILL

PROGRESSIVE INSURANCE COMPANY OF CANADA—SECOND READING

Hon. John J. Connolly moved the second reading of Bill F-11, an Act respecting Progressive Insurance Company of Canada.

He said: Honourable senators, I shall not detain the house for more than a few minutes. I would not have brought the bill before the house today, but that it is a private bill and seven days must elapse before it can go to

committee; so that, with the end of the session, seemingly, in sight, it is desirable to make progress as soon as possible.

The Progressive Insurance Company of Canada was incorporated in 1947, and the act of incorporation appears as Chapter 85 of the statutes of that year.

It is proposed by this bill that the name of the company be changed to "London and Midland General Insurance Company" and that the capital be increased from \$1 million to \$2,500,000.

The company has effected practically all kinds of insurance except life insurance. It has been underwriting such lines as fire, automobile, accident, inland marine, guarantee, theft, personal property and real property insurance. It is a tariff company.

The effective ownership of the company has been in Industrial Acceptance Corporation, but recently a contract was made whereby that control passed to a number of individuals who live in and intend to conduct the company's business in the southwestern part of Ontario.

It is proposed that the head office of the company be removed from the city of Montreal to the city of London, Ontario. It is also proposed that, immediately after the authorization sought by this bill has been given by Parliament, if it is given, a very substantial amount of capital shall be subscribed in addition to the capital already subscribed.

The company has been carrying on business in all parts of Canada. That project

will still continue, although I am informed it is intended to do more business in the London area and in that part of Ontario where the head office will be located.

If the bill is given second reading, I shall propose that it be referred to the Committee on Miscellaneous Private Bills, before whom representatives of the company can come and answer whatever questions may be asked.

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

REFERRED TO COMMITTEE

Hon. Mr. Connolly: Honourable senators, I was mistaken. As this is an insurance company bill, and as it is customary to refer such bills to the Committee on Banking and Commerce, I move that it go to that committee.

The motion was agreed to.

INTERNAL ECONOMY

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the second, third, and fourth and fifth reports of the Standing Committee on Internal Economy and Contingent Accounts.

On motions severally moved by Hon. Mr. Macdonald, Chairman of the Committee, the reports were adopted.

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

THE SENATE

Monday, March 25, 1957

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

Prayers.

Routine proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 310 to 312, dealing with petitions of divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

CHALMERS CASE

Hon. Mr. Roebuck presented the Divorce Committee's report No. 313, dealing with a petition for divorce, and moved that the said report be taken into consideration at the next sitting.

He said: Honourable senators may recall that earlier this session I moved that Bill W, intituled an Act for the relief of Jack Stevenson Chalmers, which was on the Order Paper for second reading, be not read a second time but be referred to the Committee on Divorce for consideration. The bill was accordingly referred to the committee, and this report No. 313 deals with it. I have a memorandum of the facts in connection with this matter, which I think should be put on the record.

The petition in this matter, served on the respondent on September 5, 1956, was heard and recommended by the Divorce Committee on January 16, 1957. The committee's report was adopted by the Senate and the bill given first reading on January 24.

On January 25 a letter was received from the respondent, in which she stated she objected to the accusations contained in the petition and lacked the money to defend herself. Steps were then taken which halted progress on the bill and referred it back to the committee.

On January 31 the respondent was advised by registered letter that she would be given until February 15 to file a notice of opposition and to make application for funds for the conduct of her defence. No reply having been received to the letter of January 31, the respondent was advised by registered letter on February 18 that she would be given until February 25 to file her notice of opposition.

On February 27 the respondent acknowledged the letter of February 18, stating she wished to contest the matter, and requesting funds for her defence.

On February 27 an order was issued by the Chairman, requiring the petitioner to pay to the respondent one hundred dollars. The Ottawa agent for the petitioner, the solicitor for the petitioner, and the respondent were so advised, and proof of

payment of the money to the respondent personally on March 9 was subsequently filed with the Committees Branch.

On March 14 the respondent was advised by telegram that the case would proceed if she did not file formal notice of opposition by March 18.

As of this date, no acknowledgment of the telegram or further indication of intention to oppose the petition has been received by the Committees Branch.

Accordingly, I am now asking that the bill be reinstated. The good lady now has her \$100, and under the circumstances I will in due course ask for the consideration and passage of the bill through the house.

The motion was agreed to, on division.

REPORTS OF COMMITTEE

Hon. Mr. Roebuck presented the Divorce Committee's Reports Nos. 314 to 336, dealing with petitions for divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

HOUSE OF COMMONS PRAYERS

REFERENCE TO DUKE OF EDINBURGH BY NEW TITLE

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, before we proceed further may I draw your attention to what happened in the House of Commons last Friday. The Honourable Walter Harris, Leader of the House, suggested that in the prayers at the opening of each sitting of that house—

The Hon. the Speaker: May I remind the honourable senator that it is contrary to the rules to refer to House of Commons debates.

Hon. Mr. Pouliot: Mr. Speaker, leaving that point aside, all I wished to say was that in the prayers at the opening of each sitting of the House of Commons the Consort of Her Majesty will no longer be referred to as "Philip, Duke of Edinburgh", but as "the Prince Philip, Duke of Edinburgh". I hope the prayers in this house will be changed likewise.

PRIVATE BILL

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—FIRST READING

Hon. Arthur W. Roebuck presented Bill Q-12, an Act respecting the Baptist Convention of Ontario and Quebec.

The bill was read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

FERTILIZERS BILL

FIRST READING

Hon. W. Ross Macdonald presented Bill R-12, an Act for the regulation and control of agricultural fertilizers.

The bill was read the first time.

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

Hon. Mr. Macdonald: Next sitting.

senator from De la Durantaye would move—that in future the new title be used in the prayers.

The Hon. the Speaker: Should not a notice of motion be given, so that we may have the correct wording for the record?

Hon. Mr. Macdonald: I was going to ask for unanimous consent for a motion, Your Honour. I will make the motion, unless the honourable senator from De la Durantaye desires to do so.

Hon. Mr. Haig: I second the motion.

Hon. Mr. Macdonald: Then I move, seconded by the honourable the Leader of the Opposition (Hon. Mr. Haig):

That the words "the Prince Philip, Duke of Edinburgh" be substituted for the words "Philip, Duke of Edinburgh" where they appear in the 24th and 25th lines of the prayers said at the opening of each sitting of the Senate.

The motion was agreed to.

TAXES COLLECTED IN NEWFOUNDLAND

INQUIRY AND ANSWER

Hon. Calvert C. Pratt inquired of the Government, pursuant to the notice:

What are the total amounts of the sales taxes and excise taxes collected within the province of Newfoundland for the last fiscal year, and how much of each of those taxes are on

- (a) Goods imported into Newfoundland;
 - (b) Goods manufactured in Newfoundland?
- Also what is the amount, within each of those categories, collected on
- (1) Tobacco and tobacco products;
 - (2) Alcoholic beverages;
 - (3) Non-alcoholic beverages;
 - (4) Ten other leading items of importation and manufacture?

Hon. W. Ross Macdonald: Honourable senators, the answer to the honourable senator's inquiry is as follows:

1. \$4,471,372.92. (a) \$3,051,158.77. (b) \$1,420,214.15.

- (1) (a) \$737,121.82, (b) not available.
 - (2) (a) not available, (b) not available.
 - (3) (a) \$4,119.01, (b) \$173,220.95.
 - (4) Automobiles: (a) \$167,845.22, (b) nil.
- Candy: (a) \$47,757.72, (b) \$9,659.73.
 Radios: (a) \$7,046.27, (b) Nil.
 Smokers accessories: (a) \$6,899.73; (b) nil.

Jewellery: (a) \$5,525.76; (b) \$1,507.57.

Matches: (a) \$4,877.16; (b) nil.

Slot machines: (a) \$2,241.70; (b) nil.

Television: (a) \$1,597.75; (b) nil.

Pens, Desk accessories: (a) \$1,265.36; (b) nil.

Toilet articles: (a) \$1,070.23; (b) \$83.16.

SENATE PRAYERS

REFERENCE TO DUKE OF EDINBURGH BY NEW TITLE

Hon. Mr. Macdonald: Honourable senators, may I refer to the matter which was raised a few moments ago by the honourable senator from De la Durantaye (Hon. Mr. Pouliot)? In the prayers used at the opening of the Senate sittings His Royal Highness the Duke of Edinburgh is referred to as "Philip, Duke of Edinburgh" instead of by his new title "the Prince Philip, Duke of Edinburgh". If I may have unanimous consent of the house I would move—or, perhaps the honourable

He said: Honourable senators, the estimates which are before us tonight are the final supplementary estimates for the fiscal year ending March 31, 1957. Honourable senators will recall that this is the third supplementary estimate which we have received; in fact, it is the fourth, because at the time the main estimates for this fiscal year were passed a supplementary estimate was approved also.

Appropriation Bill No. 6, which we passed on August 14, 1956, contained those main estimates, with certain supplementaries. During the short session in November last a supplementary estimate of approximately \$1 million—in fact, one million and one dollars—for Hungarian relief, was passed. A further appropriation bill was passed on February 6 this year, during the present session, in the amount of \$23,270,000.

The supplementary estimates covered by the present bill amount to \$89,825,249. The total of the main estimates already passed was \$5,040,843,969, with supplementaries at that time in the amount of \$146,025,513. The total for the present fiscal year, including the amount in the bill before us this evening, is \$5,300,964,732. It includes an accumulation of all the statutory items, amounting to \$1,869,978,290. Subtracting the statutory items from the total I have just mentioned, the sums appropriated aggregate \$3,430,986,442.

—As I have said, these are the last supplementary estimates for this fiscal year. It is customary to give consideration to this bill when the main estimates for the ensuing fiscal year are being tabled. However, the main estimates have already been tabled, and therefore I would ask honourable senators for their favourable consideration of this bill.

Hon. John T. Haig: Honourable senators, I can say quite honestly that I never consider it really worth while to say much on the budget debate. Nevertheless, I have never agreed that putting in supplementary estimates from time to time is a very good idea. It is really a bad idea, because it does not give us a true picture of Canada's financial situation. In former years our Standing Committee on Finance has studied Government expenditures, but it was agreed by the members of the committee that it should not try to do so at this short session. I have no criticism to make of that decision. The fact is, however, that as a deliberating body the Senate is really not making any check on the estimates at all this year. By giving proper consideration to the Supply Bill, this house could make a real contribution to the business of this country. I am not suggesting we should indulge in any criticism of Government policies, but we should at least find out for ourselves what the estimates cover. For instance, I may be wrong but I do not believe there are many in this chamber who know what portion of the estimates is earmarked for defence purposes.

The honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) pointed out the other day that Canada is going to have to face up to a reconsideration of the basis upon which taxes are collected at all levels throughout the country. At the present time tax revenue is collected at the municipal, provincial and federal levels. I am not going to discuss what is collected by each, for that would not get us very far on a bill of this kind.

As the honourable senator said so well, our educational costs, both from the standpoint of buildings and instructional staffs, have increased so much in the last ten years that the burden of meeting these costs is now too great for our municipalities. Some solution of the problem must be found. I do not think anybody in this country—and I say this without conceit—is better qualified to solve this problem than the Senate of Canada. Most of us have been members of school boards, municipal councils, provincial legislatures or the House of Commons. I feel sorry for those who have not served in any of these capacities for I think their education

has been neglected to that extent. At any rate, I am sure we all realize that governments at the municipal, provincial and federal levels are facing a real problem with regard to taxation.

There has been a lot of talk about inflation and the threat of inflation. I admit that inflation constitutes a real problem, but I am not going to discuss this matter here tonight. I have my own ideas about inflation.

My honourable friend from Northumberland-Miramichi, in one of the ablest speeches he ever delivered in this house, said that through public schools, high schools and universities we must give the youth of this country the best possible education. This is the only way they can become properly qualified to take their part in world affairs, which are becoming more and more difficult all the time. Education is growing in importance all over the world. Just look at the Russian picture. The number of boys and girls in Russia who can read and write must be a million times greater than it was 30 years ago. That is no exaggeration. Not many years ago thousands upon thousands of grown men and women in Russia could neither read nor write. We have to keep up with the new standard. More than that, we must assure our children of the pleasure that education can bring them during their lifetime. I am sure I express the feelings of every parent in this chamber when I say that one of the proudest moments a parent has is when he or she can say, "Well, I have given my children the best education I could afford to give them." It is not just a matter of equipping them to become financially successful in life, but of enabling them to enjoy pleasures that can only be derived through education.

Quite a number of senators are educationists, among whom are the junior senator from Winnipeg (Hon. Mr. Wall), the senator from Banff, (Hon. Mr. Cameron), the senator from Inkerman (Hon. Mr. Hugessen)—who is a member of the Board of Regents and one of the Governors of McGill University—and many other senators also have a keen interest in education. I am one of these, for I have children and grandchildren, and also am active in university work in my province of Manitoba.

Honourable senators, Government spending this year will total some \$5 billion. That is a tremendous amount of money to be spent by a population of 16 million. It may be justifiable, and I will not go into it. However, when Parliament meets next fall, perhaps in October, we should appoint a committee of 15 to 20 members to undertake a non-political study in an attempt to arrive at an equitable basis of levying taxes at municipal, provincial and federal levels. If we tried to do this

during a pre-election session we would be accused, no matter how fairly we endeavoured to deal with the matter, of making political powder for one party or another. After the election, however, we should undertake such a study. I take this opportunity to suggest that at the beginning of the next session a finance committee should be set up, and extended widely.

Honourable senators, I am not going to discuss the estimates. I merely wanted to raise that one question, and I hope that when we return here, probably next October, other members will join with me in setting up a committee to study all phases of taxation. Honourable members are well aware of the good work that has been done in the past by special committees appointed to inquire into specific matters. One of the most important of these was the special committee on income tax.

The Prime Minister recommended that the Senate set up at this session a committee on land use, and that has been done. I make a similar recommendation in regard to education. We could undertake a study of the problem without the introduction of politics. I believe we could make a real contribution to the educational life of our country by setting up such a committee.

Hon. Thomas Vien: Honourable senators, I think we can probably all agree with the honourable Leader of the Opposition (Hon. Mr. Haig) when he says that the Senate should have a greater opportunity of discussing estimates and supply bills in this house. On the other hand, do we not already have that opportunity in our Standing Committee on Finance? Is there anything to prevent us from referring the estimates to that committee when they are tabled in this house?

As regards this particular supply bill, I find it was laid on the table by the honourable Leader of the Government (Hon. Mr. Macdonald) on March 12. Therefore, since that date, the Leader of the Opposition, or any honourable member of the Senate, could have moved that the estimates so tabled be referred to our Standing Committee on Finance.

I suggest that at the beginning of next session when the estimates, the Auditor General's report, or the public accounts are filed, they should be referred to the Standing Committee on Finance so that an opportunity will be provided to study them with the greatest care. The machinery is there for that purpose; let us make use of it.

Honourable senators are aware that in financial matters members of the Senate have the same powers as the members of the House of Commons. Many people seem to

think that the Senate has no interest or power to deal with estimates, the budget or supply bills. Section 18 of the British North America Act gives the Senate exactly the same powers that it gives to the House of Commons in that regard, with this provision, however, that a money bill must first be introduced in the House of Commons by a minister of the Crown, on the recommendation of the Governor General. Once a money or supply bill has been introduced, and later reaches the Senate, we have the same powers to deal with it as have the members of the House of Commons.

Hon. Mr. Dupuis: May I ask the honourable member a question? So far as the British North America Act is concerned, could this house add to or take away a single penny from a money bill like the one which is now before this house? For instance, take a bill for the sum of \$1,000,001. Is it not true that this house has no power to reduce that amount by one dollar or to increase that amount by one dollar?

Hon. Mr. Vien: I have stated that the powers of the members of the Senate are exactly the same as the powers of the members of the House of Commons.

With regard to the question now put to me, I would add that it is not permissible to increase estimates. Down through the years Speakers have always held that the budget and supply bills must be submitted by a minister of the Crown, and the items therein cannot be increased except with a further recommendation of the Governor General. Such increase must be submitted to the House of Commons by a minister of the Crown. This is in accordance with section 53 of the B.N.A. Act. It has been held that if the Governor General recommends the sum of \$1 million, it is not open to any member of the House of Commons to suggest an increase of even one dollar. But parliamentary practice and usages are also to the effect that members of the House of Commons and members of the Senate can reduce the items in the supply bills recommended by the Crown.

Honourable senators, I submit that to accomplish the objective of the honourable Leader of the Opposition, at the opening of the next session of Parliament, our Standing Committee on Finance should be set up and the Auditor General's report, the public accounts, and all estimates be referred to it as soon as tabled.

Hon. Vincent Dupuis: Honourable senators, I am sure we are all grateful to the distinguished member from De Lorimier (Hon. Mr. Vien) for his remarks. However, since I have been a member of this house I have

always understood from opinions expressed on jurisprudence in this house, and from my study of the British North America Act, that the Senate cannot change a money bill which comes from the House of Commons by adding one penny to it or taking one penny from it.

Hon. Mr. Aseltine: You are wrong.

Hon. Mr. Dupuis: That is my understanding of our position with respect to a money bill once it has passed the other house. I should like therefore to ask the honourable senator for De Lorimier to give us some instances in which this house has reduced the amount of a money bill after it has been approved by the other house.

The honourable Leader of the Opposition (Hon. Mr. Haig) raised two points. First, he thought it was an opportune time for this house to have one of its committees study money bills that come to us for approval. I may be mistaken, but I believe the only course open to this house would be to have a committee study money bills and make suggestions or recommendations to the House of Commons based on our findings.

The second question raised by the honourable Leader of the Opposition had to do with education. I would support him wholeheartedly in what he had to say, if we were a country like England or France, not divided by provinces, for then the problem of education would be very much simplified. Under those circumstances we would be not only free to, but we would be bound to, offer money to our local school boards to assist in meeting the cost at all levels of education. But we are a confederation, and questions of property and civil rights have been left to the jurisdiction of the provinces. As the honourable Leader of the Opposition was speaking I asked myself what he had in mind as to the means by which this house could study the matter of financing school boards throughout the country. If he has some suggestions to make which would be acceptable to all the provinces, I would be glad to hear them. But he must know, as we all do, that the province of Quebec in some respects is not like other provinces.

What I have said does not apply to federal grants to universities, because I am inclined to believe that universities do not belong to any one province, but rather to the whole country. For instance, the French-speaking university of Montreal is attended by students from all the other provinces, irrespective of their language and religion. The standard of education in both the University of Montreal and in Laval University is very highly regarded by students of all provinces, and they take advantage of their facilities. The

more we learn of the beautiful history of this country the more we are convinced that these two great French language universities are rendering a wonderful service to Canada at large. Because of this aspect of the question of universities, I am firmly convinced that the whole country should have the opportunity to take advantage of the high standards of universities, regardless of where they are situated. Consequently, I cannot convince myself that federal grants to universities, wherever they may be located, should be refused.

I know, Mr. Speaker, I may be out of order in discussing this question on the money bill now before us. But we have listened to some very interesting suggestions by the honourable Leader of the Opposition, and I thought this was a good opportunity to ask him whether at the next session he could lay before us ways and means by which it would be possible for this chamber to do something for education without infringing on the provisions of the British North America Act. If he could do so, I would pledge my full support to such a plan.

Hon. Jean-François Pouliot: Honourable senators, I cannot make any promise for the future. However, I have listened with great interest to the speeches which have just been made by the honourable Leader of the Opposition (Hon. Mr. Haig), one of the deans of this house, and by my learned colleagues from the city of Montreal (Hon. Mr. Vien and Hon. Mr. Dupuis).

This bill would vote a large sum of money—an amount that is equal to 44,912 times that spent for stationery for the use of members of this house. I do not say that any item mentioned in the schedule to this bill is uncalled for. Each item may be well justified. I have read the bill and I have read the supplementary estimates.

Now we are facing a most complex situation. I am glad that the honourable Leader of the Opposition is so much in favour of higher education because we ourselves need lots of it to know where we are and where we stand in the Senate. I was particularly interested in the views expressed by the honourable senator from De Lorimier (Hon. Mr. Vien), because he has the prestige of having occupied the Chair as Speaker of the Senate not so long ago; and also in what was said by my honourable friend from Rigaud (Hon. Mr. Dupuis), who is known as one of the best lawyers of the metropolis of Canada. I am not one to say anything that would be unpleasant to any of my colleagues of the Senate, but we must know where the Senate stands in matters as important as money bills.

Now, how is it that all money bills have to be initiated in the House of Commons? It is because, as you all know, payments made in virtue of a bill like this come from taxation, and the only ones in Parliament who can initiate a taxation bill are those who are elected by the people and are responsible to them. This is the orthodox doctrine which has been expounded by Blackstone and by all those who came after him—"no taxation without representation". As we are not elected by the people of Canada, but have been appointed by the Crown, we have the right to sit here, but we have not the right to initiate money bills in the Senate. Approval of the Governor General in the name of Her Majesty was, in the first place, a solace, a kind of solace given to the Sovereign for the right that the commoners had taken for themselves to oppose taxation. You know that in the first place the kings imposed taxation. There was then no representation. When the commoners told King John that they had their word to say, the King, as a compensation, said, "I give you the power to raise taxation, provided that I reserve for myself the right to approve the amounts that you are to levy by taxation." That is the history of England, as everyone knows from elementary school days.

I will not insist upon it, but my conclusion is that if we cannot levy taxation in this house we can decrease the amount asked for by the House of Commons. I do not suggest that it should be done, but my view is that we are the guardians of the public exchequer just as much as members of the House of Commons are, and we have the right to say, "This is too much", "This is unwarranted", "This is uncalled for". Unquestionably, we in the Senate have the right to say that, if we are to be true to the trust that has been given us by the Government of Canada.

We are not here to put obstacles in the way of the Government; we are here to protect the rights of the people of Canada. And I do not know to what extent the Senate of Canada is the last to refuse freedom of speech. I will be able to say that the last day of this session, but not before. But that is as it should be: there is no reason why the Senate of Canada should not be an example of liberty and freedom of speech to the whole world; and it is because I have confidence in Your Honour and in my colleagues that I dare say that in this house tonight.

Now I will draw to your attention, honourable senators, a fact that you know as well as I do, and that is that the schedule is part of the bill, and that on second reading there is nothing to prevent me from speaking

about the schedule as well as the figures that are contained in the bill itself. I did not make a speech of an hour and a half about it, but I just remind you of that.

As there is an item concerning External Affairs in the bill I must say that as a Canadian citizen, I am very glad that Mr. St. Laurent, the Prime Minister of Canada, is in Bermuda today to discuss international matters and matters pertaining to the Commonwealth with his colleague of the Commonwealth, the Prime Minister of the United Kingdom. I had the good fortune to meet the Prime Minister on Saturday last and I told him that I hoped that his trip would be just as fruitful as was his trip around the world when he postponed to much later on the danger of a third world war. Credit should be given to Mr. St. Laurent for facing the issue and acting as a great diplomat in his dealings, not only with the Prime Minister of the United Kingdom, but with the heads of the states that he met on his trip around the world. Also, I must pay a special tribute to Mr. Pearson for the good work that he has done, and to Mr. Paul Martin for the good work he likewise has done. They are great Canadians, and they deserve special acknowledgement.

There is an item in this bill in the name of the Department of Public Works. I must express my gratitude to the members of the Government and in particular to the Honourable the Minister of Public Works for what he has done to improve the condition of the Senate. It is remarkable. The new senators do not have any idea of how bad it was when we came in here last year. The walls were dirty, the lights were poor. Now the walls are clean and the lights are better. I thank the honourable Leader of the Government in this house (Hon. Mr. Macdonald) for what he has done, and I thank also the Minister of Public Works: they deserve our appreciation. The Senate chamber looks much better than it did.

Some honourable senators have complained that the purchase of a new rug is an extravagance. The present rug has been here since the construction of this building at the time of the First World war. There are holes in it; it is worn out. It is not right that when Her Majesty comes here next fall she shall be honoured with a new rug, and that none of her suite shall be exposed to the danger of falling by tripping over a hole in this rug? I congratulate the honourable Leader of the Government and all honourable senators who favoured this purchase. They showed vision; they knew that the time had come to make some improvements in this room, not to leave it in its former state of drabness. The Wool-sack is no longer used; it has been consigned to the attic. So much the better. There is

now a good postmark, with bilingual wording; and wherever our correspondence goes, to all corners of the world, there may be seen an attractive picture of the Parliament buildings. That is progress.

Some may say that all this is not enough. For my part I do not expect progress in the Senate at a rate faster than sound. But little by little we advance. The only direction in which progress is not evident is with regard to the rules. In 1951 a resolution to reduce the membership of committees was approved by a vote of 35 to 11. I appreciate the fact that it was moved by the honourable senator who is now our Speaker. This action marked one forward step, but at the following session the committee memberships were restored to their former figures. That was a step backward; and if you have one year a step forward and the following year a step backward, where are you? You do not move. We should at least make two steps forward and only one backward; then we would advance one step. I say this seriously. I would compare the Senate not to the hare, which runs too fast and may lose its way, but to the turtle, which advances slowly but which, honourable senators, is distinguished by having a strong back.

My conclusion, which I express in the friendliest possible manner, is that no one outside the Senate can reform it. Attempted reforms by the Government could kill it. The press may ridicule it. But if the Senate is to perform the task which was assigned to it by the Fathers of Confederation, it must take the responsibility for reforming itself; and I hope that action in this direction will be taken by common consent at the beginning of next session.

In conclusion, may I say that I do not take any credit for the physical improvements which have been made to this chamber. I give full credit to the honourable Leader of the Government in this house and to all my colleagues.

Hon. Mr. Macdonald: "All my colleagues" is the way to put it.

Hon. Mr. Pouliot: And I am very proud that our honourable Leader is one of them. I compliment all his colleagues, that is, all the members of the Government. I hope this process will go on, and that the dirty windows will disappear as soon as this house prorogues. I trust that these windows, painted a dirty brown, will be replaced with clean and clear windows through which the rays of the sun will penetrate to brighten our proceedings. As for the pictures, if I could use the gun depicted in the painting opposite me to destroy them, it would be no loss to the Senate nor to the country. I trust

also that the suggestion of the honourable senator from De Lorimier (Hon. Mr. Vien) to instal additional galleries will be adopted, for, besides improving the acoustics much more effectively than any other device could do, they would enhance the appearance of the chamber, and render it more attractive to the distinguished visitors of all ages who come here to listen to us. For, to listen to us, they must be able to hear us. The provision of galleries on both sides, or at least a gallery on one side to begin with, would attract more people to the chamber; and the more who are interested in our debates, the better.

So much for the physical amenities. With regard to spiritual reform, there is a question mark. One needs to know how much "moral rearmament" will be required.

Hon. Arthur W. Roebuck: Honourable senators, may I have a moment to comment on the question of the right of the Senate with regard to money bills? It seems to me, the question is an important one, and it would be unfortunate if an erroneous impression were implanted in the minds of our own members, or got abroad.

I concur wholly in everything that has been said by my distinguished colleague the honourable senator from De Lorimier (Hon. Mr. Vien), who stated, out of his long experience, that the Senate cannot increase an item in accounts such as we have before us, but it can decrease the amounts. The honourable senator from De la Durantaye (Hon. Mr. Pouliot) spoke in much the same vein, although more generally, and I agree with what he said in this regard. However, the honourable senator from Rigaud (Hon. Mr. Dupuis) has expressed some doubts, and it is for that reason that I have risen, not that I can add very much to what has already been said, but I should like to give some information to the honourable senator from Rigaud and others who are interested in the matter.

The honourable senator from Rigaud has asked whether certain instances could be stated where the Senate has acted within its rights to reduce a money bill. The best answer I can give is to refer the honourable gentleman to a report of a Special Committee of the Senate which sat in 1918 to consider the question of determining what rights the Senate had in matters of financial legislation. This committee was under the chairmanship of the Honourable W. B. Ross, K.C., who, as many honourable senators will recall, was a very distinguished lawyer. That committee made an exhaustive inquiry and presented a brief report to this house. Added to the report was an extensive and detailed memorandum concerning the whole question, and

attached to the memorandum were the opinions of lawyers. I am sure the honourable senator from Rigaud will remember and approve of Mr. E. Lafleur and Mr. Aimé Geoffrion, who signed one of the opinions. The other opinion was signed by a renowned constitutional lawyer, Mr. John S. Ewart. Now, the report, the memorandum and the two opinions all agree substantially with what the honourable senator from De Lorimier (Hon. Mr. Vien) has told this house. I should like to read three short excerpts from this report, which is dated May 9, 1918. The first reads:

That the Senate of Canada has and always had since it was created, the power to amend Bills originating in the Commons appropriating any part of the revenue or imposing a tax by reducing the amounts therein, but has not the right to increase the same without the consent of the Crown.

That tersely expresses exactly what the honourable senator from De Lorimier has said.

Hon. Mr. Dupuis: The honourable senator is referring now to a theory propounded by two great jurists of this country, Lafleur and Geoffrion, who happened to be my professors of civil law at university. But I want to know what the practice has been. I admit the theory has always been that the Senate can reduce a money bill, but I would like to know when and under what circumstances money bills have been reduced in this chamber.

Hon. Mr. Roebuck: I could not answer that question offhand, for it would require a search of the authorities and of *Hansard* to discover particular instances. The memorandum itself, however, tells of instances of that kind. Moreover, this is not a question of practice which is before us now but is rather a question of constitutional law. Even though we have not exercised that power in recent years it does not mean we do not possess it. It may be that we should have exercised this power more frequently than we have.

Hon. Mr. Vien: Would the honourable senator permit me to interrupt?

Hon. Mr. Roebuck: Certainly.

Hon. Mr. Vien: I believe that in a speech made in this house the Honourable Charles Murphy, a former Postmaster General, quoted instances where estimates were reduced by the Senate.

Hon. Mr. Roebuck: I thank the honourable senator from De Lorimier for putting another reference on the record. Let me read two more brief paragraphs from this report:

That the Senate in the past has repeatedly amended so-called money bills, in some cases without protest from the Commons, while in other

cases the bills were allowed to pass, the Commons protesting or claiming that the Senate could not amend a money bill.

I would point out that in some cases so-called money bills were amended by the Senate and were allowed to pass by the Commons, although there were some in the Commons who protested that the Senate did not have this power.

The report concludes:

... it is important that the powers of the Senate relating thereto be thoroughly understood.

This question is as important today as it was in 1918, and we who sit in the Senate should know the powers we possess and can exercise if we see fit. I am sorry to see any doubt expressed in this chamber as to this prerogative of the members of this body, namely, to reduce a money bill in whole or in part if in our good judgment we see fit to do so.

Hon. Mr. Dupuis: Is it not true that this question was raised by the Fathers of Confederation in their discussions at Charlottetown and Quebec, and they were left in great doubt as to the advisability of allowing the Senate to touch any money bills? We all know that great axiom—no taxation without representation—which must of right apply to this chamber.

Hon. Mr. Roebuck: Yes, that was discussed and you will find it in this memorandum. The Fathers of Confederation desired to give the Senate the largest powers possible but they did not see fit to allow the Senate to initiate money bills. There is almost an apology for preventing us from doing so, but no one in those constitutional discussions suggested, so far as I remember, that the Senate should not have the power to revise money bills and to protect the people of Canada against an inadvisable expenditure of money, or that we should not be allowed to be guardians of the public purse. I think that was unanimously concurred in in those earlier discussions.

Hon. John J. Connolly: I would like to ask whether the honourable senator from De Lorimier (Hon. Mr. Vien) or the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) can explain the following? At the opening of Parliament each session this paragraph, addressed to the members of the House of Commons alone, appears in the Speech from the Throne.

You will be asked to appropriate the funds required to maintain the services and payments provided under the authority of Parliament.

That paragraph is not addressed to the members of the Senate at all. It has been abundantly established here tonight that the

Senate cannot initiate money bills, but if it is so important to have money appropriated and available for the payment of these accounts, why would that paragraph not be directed to this chamber as well as to the House of Commons?

Hon. Thomas Vien: In answer to the honourable gentleman I would say that that phraseology is inaccurate but based on a long parliamentary usage. It is quite obvious that money bills are not the sole gift of the House of Commons. If it were so, we would not be called upon to vote the budget and supply bills. Why are we called upon to give our advice and consent if the subject-matter be not within our jurisdiction? Could it otherwise become law? Therefore, I say that that phraseology is improper. It may have been inspired by the fact that in Canada, since Confederation, money bills must originate in the House of Commons, because sections 53 and 54 of the British North America Act so provide; but once money bills have been introduced, as was aptly said by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), members of the Senate have the same powers in dealing with them as are possessed by the members of the House of Commons.

Section 18 of the B.N.A. Act reads as follows:

The privileges, immunities, and powers to be held, enjoyed and exercised by the Senate, and by the House of Commons, and by the Members thereof respectively, shall be such as are from time to time defined by act of the Parliament of Canada, but so that any act of the Parliament of Canada defining such privileges, immunities and powers, shall not confer any privileges, immunities and powers exceeding those at the passing of such act, held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland and by the members thereof.

This provision of the B.N.A. Act has been repeated in the Senate and House of Commons Act. Therefore, the powers of the members of the Senate are not those of the House of Lords but are those of the members of the House of Commons of the United Kingdom.

The assumption that money bills are the exclusive gift of the House of Commons is so widely entertained that we find, among the rules of the House of Commons this impertinent Standing Order 63 entitled, "Rights of House as to Aids and Supplies", reading as follows:

All aids and supplies granted to His Majesty by the Parliament of Canada, are the sole gift of the House of Commons. . . .

As if the House of Commons could determine what are the powers of the Senate! The Senate has received constitutional powers under the provisions of the British North America Act, and the House of Commons has

no right to interpret as it does by its Standing Order 63, what are our constitutional powers, as if the Commons were the Judicial Committee of the Privy Council interpreting the British North America Act. The Commons has no right to say that "All aids and supplies granted to His Majesty by the Parliament of Canada"—meaning the Senate and the House of Commons—"are the sole gift of the House of Commons", as if it were enacting legislation on the Constitution. This is sheer impertinence and that rule should be deleted from the standing orders of the House of Commons. "All bills for granting such aids and supplies ought to begin with the House", not because of Rule 63 hereinabove quoted, but because it is so stated in section 53 of the B.N.A. Act. Order 63 continues:

. . . as it is the undoubted right of the House to direct, limit and appoint in all such bills, the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which are not alterable by the Senate.

That it does not lie within the power of the House of Commons to say that money bills are the sole gift of the House of Commons clearly appears from the fact that such bills cannot become law without the advice and consent of the Senate. And that it is not the undoubted right of the House of Commons to direct, limit and appoint in all such bills the ends, purposes, considerations, conditions, limitations, and qualifications of such grants, also clearly appears from the wording of sections 53 and 54 of the B.N.A. Act, which provide that such bills must first be recommended by the Governor General, in whose province falls the power to direct, limit and appoint the ends, purposes and considerations of such grants; and members of the Senate have no more powers than those of the House of Commons as hereinabove just defined.

The Hon. the Speaker: Honourable senators, I do not know if the honourable member has the unanimous consent of the House to continue.

Hon. Mr. Vien: Mr. Speaker, I am trying to answer a question which an honourable gentleman has asked me.

The Hon. the Speaker: If the house gives unanimous consent, it will be in order for the honourable gentleman to continue.

Hon. Senators: Agreed.

Hon. Mr. Vien: Honourable senators, I have only one further remark to make. What was the purpose of section 53? It was a consequence of section 9 of the B.N.A. Act, which says:

"The Executive Government and authority of and over Canada is hereby declared to continue and be vested in the Queen."

The powers of the members of the House of Commons, once a money bill is introduced, are exactly the same as those of the members of the Senate. A money bill is not a grant or the exclusive gift of the House of Commons. It is a grant made jointly by the Senate and the House of Commons to the Crown.

Hon. Mr. Roebuck: Honourable senators, I have no desire to make a second speech, but may I have the indulgence of the house to add another instance of the exercise by this house of its right to amend money bills?

The member for Bruce (Hon. Mr. Stambaugh) has called my attention to the instance when the Borden Government sent to this house a supply bill which included an expenditure of \$35 million for the purchase of two battleships which were to be presented to the British Government. The portion of that bill which voted the \$35 million was rejected by this house. I am sure that many honourable senators who know something of the history of Canada will remember that incident.

Hon. Mr. Golding: It is nothing new to suggest that we can reduce the amount of money bills.

Hon. Donald Cameron: Honourable senators, I do not rise at this time to continue this most interesting constitutional discussion, which I have found very enlightening. May I say at the outset that one of the documents which I received just after my appointment to the Senate—I do not recall whether it was from the honourable Leader of the Government or from His Honour the Speaker—was that admirable speech by Senator Murphy, made I think in 1927, in which he referred to the rights and privileges of the Senate. The point which I underlined in that speech was one to the effect that the Senate has the right to modify or reject certain money bills. But I do not propose to go into that subject at this time. My purpose in rising is to ask a question which I think should be directed to the honourable Leader of the Government. First may I note that the federal Government has this year been very generous with respect to matters of education. For instance, the *per capita* grants to universities have been doubled, and the Canada Council has been established. Now by vote No. 563, which appears at the bottom of page 3 of the schedule under Miscellaneous Grants, this further grant is proposed:

Grant to assist the Stratford Shakespearean Festival Foundation of Canada in the construction of a permanent theatre at Stratford, Ontario.

Now, I would be the first to compliment the Government on this additional generosity, because I think all Canadians can be proud

of the accomplishment of this organization within a very short time. The question that comes to my mind is whether this is to be an isolated gift to a very worthy cause or the beginning of a new policy on the part of the Government under which other equally deserving and promising national educational institutions may be entitled to some assistance. I have reference to the Royal Winnipeg Ballet, and perhaps the National Ballet, and I even have the temerity to mention the Banff School of Fine Arts.

Hon. Senators: Hear, hear.

Hon. Mr. Cameron: My question is one which I should like to have answered at some future time, because I think it important to know whether the federal Government is establishing a new policy under which it will make capital grants to national organizations of this kind.

Hon. W. Ross Macdonald: Honourable senators,—

The Hon. the Speaker: Honourable senators, if the honourable Leader of the Government speaks at this time, he will close the debate.

Hon. Mr. Macdonald:—we have listened to a very interesting and enlightening discussion on the subject of whether or not the Senate can initiate money bills, or increase or reduce them when they come before this house. There seems to be general agreement on the proposition that money bills cannot be introduced in the Senate. There is, however, some difference of opinion as to whether the amounts which these bills would vote can be reduced.

Hon. Mr. Golding: They can be reduced by the Senate.

Hon. Mr. Macdonald: At least one honourable senator has suggested they cannot be reduced. As I have said, I think most honourable senators agree that they cannot be increased in this house.

With respect to the reducing of the amounts of money bills by the Senate, I believe it was the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) who referred to a report made by a group of eminent counsel including Mr. Geoffrion, Mr. Lafleur and others. He also mentioned the opinion given to this house by another eminent counsel, John Ewart. I do not have a record before me of either of these opinions, but I should think that before the matter comes up again we should all take advantage of the interval to read the opinion expressed by Mr. Ewart. This is a very interesting subject, and I am pleased that it was raised here tonight.

The honourable senator from Toronto-Trinity referred to a bill which was passed some years ago by the House of Commons under which a certain sum of money was voted for the purchase of two battleships. That bill was rejected by the Senate, but I do not know what happened to it when it went back to the other house.

Hon. Mr. Roebuck: It was killed.

Hon. Mr. Kinley: They got their battleships anyway.

Hon. Mr. Macdonald: Honourable senators whose memories are longer than mine will recall the instance, and the rest of us can look at the record to see what happened to the bill. But there must be an opinion to the contrary that bills can be reduced in amount in this house, because I note by Beauchesne's *Parliamentary Rules and Forms*, Third Edition, at page 328 there appears form No. 59 with the heading "For Agreeing to Senate Amendments to Money Bills", and reads as follows:

(The amendments having been concurred in):

That the Clerk do carry back the Bill to the Senate and acquaint Their Honours that this House hath agreed to their amendments, the Minister of Finance accepting the said amendments with a protest against the right of the Senate to make amendments to money bills.

Apparently this proposition that the Senate can reduce money bills is not entirely accepted by the House of Commons.

Hon. Mr. Turgeon: May I ask the honourable leader whether it is not a fact that when an estimate of expenditures is before the House of Commons the proposed estimate cannot be increased on a motion of a private member of that house?

Hon. Mr. Aseltine: That is correct.

Hon. Mr. Macdonald: That is in accordance with some statements made here tonight, that a bill appropriating any public funds must be initiated in the House of Commons after first obtaining the approval of the Governor General to the bill.

Hon. Mr. Turgeon: And such a bill must be initiated by a member of the Government, not by a private member.

Hon. Mr. Macdonald: Yes. It is questionable whether a private member could get the consent of the Governor General with respect to a money bill and come to the house with that consent. It would be most interesting to see what would happen in those circumstances, but such an instance has never occurred. The amount appropriated by a money bill cannot be increased, because the resolution which precedes a so-called money bill sets forth the amount that is required.

Therefore, before the amount could be increased the Governor General would have to signify approval. For that reason the amount of a money bill cannot be increased in the House of Commons any more than in the Senate.

Hon. Mr. Pouliot: Will my honourable friend permit me? If my memory serves me rightly, the Senate defeated a bill for a gift of \$35 million from Canada to the United Kingdom to buy cruisers or battleships, and the thing went no further.

Hon. Mr. Macdonald: Honourable senators, I believe that is the bill to which the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) referred to a few minutes ago, and I think he said the honourable senator from Bruce (Hon. Mr. Stambaugh) brought the bill to his attention. I should say that my deskmate brought to my attention the form from Beauchesne's Third Edition to which I have referred.

Hon. Mr. Davies: May I ask the honourable Leader this question: When you refer to the Governor General you mean the cabinet, do you not?

Hon. Mr. Macdonald: No, I am referring directly to the Governor General. When a money bill is introduced in the House of Commons a member of the Government stands in his place and says the Governor General has signified his approval of the introduction of the bill.

Hon. Mr. Davies: Is that not just merely a matter of form?

Hon. Mr. Macdonald: Well, that is the procedure in any event. I do not suppose the Governor General would refuse the request of the Government for his approval of an expenditure.

Hon. Mr. Aseltine: Can the honourable Leader give us any instance where approval has been refused by the Governor General?

Hon. Mr. Macdonald: I would not know, because if the approval is refused the minister cannot come to the house and say he has the approval of the Governor General.

Hon. Mr. Davies: But does the Governor General not represent Her Majesty, and is not Her Majesty advised by her ministers?

Hon. Mr. Macdonald: That is right. That is why I say I think the Governor General would accept the advice of the cabinet that certain money was required.

Hon. Mr. Vien: Would the honourable leader allow me to ask him a question? Is he not of the opinion that it is not a matter of

form but a matter of a distinct stipulation of the British North America Act?

Hon. Mr. Macdonald: There is no doubt of that. It is a distinct stipulation of the British North America Act, and prior to 1926 I do not know what attitude a Governor General might have taken. Honourable gentlemen recall that in 1926 the Governor General of that day, in connection with another matter, did not accept the advice of the then Government.

Honourable senators are aware that I have never endeavoured to introduce into this house a bill which would appropriate a portion of the public funds. For that reason I have been limited in the number of bills which I could introduce here. Sometimes the Government is criticized for not having more bills introduced in the Senate. Well, there is a distinct limitation in the British North America Act, and we cannot get around that: money bills must be introduced in the Commons and then come here. But I suggest to honourable senators that if they look over the records for this session—which I have not done yet—they will find that the number of bills introduced in the Senate compares very favourably with the number introduced in the Commons.

A suggestion was made for the setting up of a committee to study the whole problem of education on the public school, high school, and university level. However, one honourable senator suggested that might be a subject which certain provinces would feel is not within our domain. I think it is something for us to think about before introducing a motion to appoint such a committee. We are all interested in education, but it seems to me we must remember that under the British North America Act education is a subject within the jurisdiction of the provinces. I do not think we should enter into a consideration of that subject generally without first giving the matter our very serious consideration.

Honourable senators, another suggestion was that the estimates and the Auditor General's report should be referred to the Finance Committee. That committee, for some years under the chairmanship of the honourable senator from Churchill (Hon. Mr. Crerar) and during the last two years under the chairmanship of the honourable senator from Miltford-Hants (Hon. Mr. Hawkins) has done exceptionally fine work. It decided that there would not be time this session for a thorough examination of the estimates, and so it held no sittings. I am sure, however, that it will be glad to consider the estimates when tabled in future sessions.

With regard to the tabling of documents, an honourable senator said to me that the supplementary estimates had not been tabled

this session. I am glad the honourable senator from De Lorimier (Hon. Mr. Vien) mentioned that they were tabled on March 12. If honourable senators at any time think that documents which should be tabled have not been tabled, I hope they will not fail to bring the matter to my attention.

The honourable senator from Banff (Hon. Mr. Cameron) referred to the grant to the Shakespearean Festival at Stratford, and asked whether the Government in future would make contributions to similarly worthy organizations.

Hon. Mr. Cameron: I was only raising the principle of making special grants to special institutions.

Hon. Mr. Macdonald: I may say that in this instance the payment was made before the Canada Council was established. The Government of the Province of Ontario gave \$100,000, and the city of Stratford gave \$30,000. The federal Government felt that it should make a contribution to this great national festival. I suppose the Government could have waited until the Canada Council was established, but there was considerable urgency, because the work has to be proceeded with if the new theatre is to be used this summer. For that reason a contribution was made from the public funds. We have great hopes that many organizations and individuals will make contributions to the work of the Council, and that from the money which the Council receives, not only from the Government, but from wealthy individuals, corporations, and so forth, the necessary grants can be made.

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

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

Hon. Mr. Macdonald: Next sitting.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 295 to 309, dealing with petitions for divorce, and moved that the reports be adopted.

The motion was agreed to, on division.

BILLS—FIRST READINGS

Hon. Mr. Roebuck: Honourable senators, these reports having been concurred in, I now present bills covering the same cases:

Bill B-12, an Act for the relief of Romeo Cadieux.

Bill C-12, an Act for the relief of Albert George Mugford.

Bill D-12, an Act for the relief of Andree Duquette Mathieu.

Bill E-12, an Act for the relief of Hans Leth.

Bill F-12, an Act for the relief of Roland Leclair.

Bill G-12, an Act for the relief of Mary Shirley Mortimer Hogan.

Bill H-12, an Act for the relief of Magda Kadar Niederhoffer.

Bill I-12, an Act for the relief of Edith Joyce Hawkes Balogh.

Bill J-12, an Act for the relief of Dieter Heinrich Karl Hellmann.

Bill K-12, an Act for the relief of Marion Donnithorne McAlear.

Bill L-12, an Act for the relief of Noella Lauzon Dinelle.

Bill M-12, an Act for the relief of Gloria Helen King Fletcher.

Bill N-12, an Act for the relief of Ronald Edward Parker.

Bill O-12, an Act for the relief of Elizabeth Maidie Davies Jones.

Bill P-12, an Act for the relief of Irene Grace Weir Robertson.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. Aseltine: I suggest that, as time is running short, the bills shall have second and third readings tonight.

Hon. Mr. Roebuck: I thank the honourable senator from Rosetown (Hon. Mr. Aseltine) for that suggestion. I was on the point of rising to make it, and I thought that a speech would not be necessary to commend the proposal. In that opinion I am confirmed by what the honourable senator has said. With leave, therefore, I move second reading now.

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

THIRD READINGS

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

Hon. Mr. Roebuck: With leave, I move the third readings now.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, March 26, 1957

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

Prayers.

Routine Proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 337 to 350, dealing with petitions of divorce, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to, on division.

APPROPRIATION BILL NO. 2

THIRD READING

Hon. W. Ross Macdonald moved the third reading of Bill 280, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1957.

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

MERCHANT SEAMEN COMPENSATION BILL

SECOND READING

Hon. John J. Kinley moved the second reading of Bill 178, an Act to amend the Merchant Seamen Compensation Act.

He said: Honourable senators, the act which this bill would amend was originally Chapter 58 of the Statutes of 1946, and upon the revision of the Statutes in 1952 it became Chapter 178.

This bill comes to us from the House of Commons, where it was introduced by the Minister of Labour. After second reading it was referred to the Standing Committee on Industrial Relations and reported back to the house with one slight amendment, and the amended bill was then given third reading and passed.

This bill is designed to bring the benefits payable to disabled seamen or the dependants of the seamen up to and in line with the more liberal benefits provided under the various provincial laws in the matter. I am informed that the federal act has not been amended in this respect for some years, whereas the provincial acts have been amended from time to time. Thus it is that the benefits provided under the federal act

have not kept pace with the compensation provided in the provincial acts. I would say that since 1953 most of the provincial compensation acts have been amended and the rates of compensation and benefits increased.

The idea behind this legislation is that men who work upon the sea are entitled to the same protection as those who work ashore. The bill would revise the rates of compensation paid to men who work upon the sea, and who, in virtue of their occupation, are not covered by any other statute. Their work is arduous, and requires them to be away from their families a great deal of the time. While their working day is eight hours, the statutory working day in Canada, they must be on hand and available during all hours of the day and night in case of call at sea.

Honourable senators, in computing average wages for the purpose of arriving at compensation, this bill proposes to raise the ceiling on wages from \$3,600 to \$4,506 per year. In two of the provinces the ceiling is set at \$5,000 a year, but it is lower in other provinces. The ceiling of \$4,500 on earnings may be high for ordinary seamen, but it should be made a little higher to cover those on oil tankers. I might point out that seamen on dry cargo ships do not receive wages as high as are paid on tankers. The conditions on a dry cargo ship are such that you would not expect the wages would be equal to those paid on a tanker. I should mention also that the ceiling of \$4,500 is designed to cover officers as well as seamen.

The rates for benefits in the bill before us are set out in sections 1, 2, 3 and 4. The bill proposes:

- (1) to raise the percentage of average earnings used in computing compensation from 66 $\frac{2}{3}$ to 75 per cent;
- (2) to raise the maximum annual earnings which may be taken into account from \$3,600 to \$4,500;
- (3) to raise the monthly payments to the widow of a deceased seaman from \$50 to \$75;
- (4) to raise the payment to a dependent child living with a widow from \$15 to \$25 a month;
- (5) to continue the payments to an invalid child until the child ceases to be an invalid. At present the board continues payment so long as it decides that the deceased seaman, had he lived, would have continued to contribute to the child's support.
- (6) to raise the payments per month to an orphan child from \$25 to \$35;
- (7) to increase from \$100 to \$200 the immediate lump sum payment to a widow.

The provisions of the bill will apply to between 3,500 and 4,000 seamen. It will, so to speak, take up the slack in respect of what is not now covered by legislation. At present the provincial compensation boards deal to a large extent with those activities associated with seafaring, and they administer the provisions of the Government Employees Compensation Act. The medical aids provided under section 5 of the Canada Shipping Act do not conflict with the provisions of this bill, since, where those provisions apply this bill will not be applicable. Home trade and foreign voyages are covered by this compensation scheme; inland and minor water voyages are covered by the provincial workmen's compensation acts.

As defined in the Merchant Seamen Compensation Act,

(i) "seaman" means every person, except pilots, apprenticed pilots and fishermen, employed or engaged on

(i) a ship registered in Canada; or

(ii) a ship chartered by demise to a person resident in Canada or having his principal place of business in Canada, when such ship is engaged in trading on a foreign voyage or on a home trade voyage as these voyages are defined in the Canada Shipping Act, 1934; and, if so ordered by the Governor in Council, includes a seaman engaged in Canada and employed on a ship that is registered outside of Canada and operated by a person resident in Canada or having his principal place of business in Canada when such ship is so engaged.

The direct responsibility under the bill is upon the employer. He must see to it that he insures his employees who are seamen, under the provisions and to the full requirements of the law, by insurance or otherwise.

The Merchant Seamen Compensation Act is administered by a board of three civil servants. Mr. A. H. Brown, Deputy Minister of Labour, is the chairman, and the other commissioners are Mr. B. J. Roberts, Chairman of the National Harbours Board, and Captain G. L. C. Johnson, of the Department of Transport. Mr. George G. Greene, the secretary, carries on the routine administration, the cost of which seems to me quite low. Last year it amounted to only \$2,870, including \$110 for stationery and other office supplies. In the years 1945, 1946 and 1947 the administration cost in connection with each case amounted to \$52.24. By 1955 and 1956 this cost had been reduced to \$29.44. I think it is worth while to note this reduction, for it is not the usual trend in administering any business today. There are 63 shipping companies paying a monthly service charge of \$25.

The board's power of decision is final, but on application it can review a decision, and I am told it is always willing to do so.

Like similar acts, the Merchant Seamen Compensation Act takes away the common

law rights of an employee so that he cannot sue his employer under the act. If a dispute arises between an employee and his employer the matter must be settled by the Board. However, an employee is entitled to sue a third party for damages.

Honourable senators will recall the disaster that occurred at sea not long ago when an Italian ship and a Swedish ship collided off the American coast. On that occasion the Swedish and Italian shipping companies showed good sense in settling the matter out of court.

The original Merchant Seamen Compensation Act was assented to on August 31, 1946. Prior to that date claims arising from accidents happening to merchant seamen were dealt with under the provisions of the Merchant Seamen Compensation Regulations, 1945, made under the War Measures Act. That is when compensation for seamen was introduced into our economy. During the war merchant seamen had a most hazardous occupation. There were many casualties among them, and there was a great need for compensation benefits for their families. Shipwrecked merchant seamen whose ships had been sunk by submarines would be brought into Halifax or some other port. These seamen had perhaps the most dangerous job of the war. Now we are amending this act to bring it into line with provincial and other legislation so as to give merchant seamen the same treatment that employees in other industries are entitled to receive by way of compensation.

When workmen's compensation benefits were extended to merchant seamen by statute the lights of the Canadian merchant marine shone on almost every ocean in the world and its ships were to be found wherever there was trade. While today these lights are but a flicker compared with what they once were, the merchant seamen look to better days and are grateful that these benefits, which mark progress, are being preserved for them.

Honourable senators, I am sure that this sound legislation will prove beneficial both to the merchant seamen and to the Canadian public.

Hon. Mr. Gershaw: I would like to ask the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley) why it is necessary to have this act administered by a special board rather than by the Workmen's Compensation Board.

Hon. Mr. Kinley: Usually provincial boards do not extend their activities to include compensation on the high seas, and therefore this is considered a subject of federal Government control. The courts have decided that provincial legislation to insure seamen who are residents of the province

is valid. British Columbia exercises that authority, but other provinces do not. The purpose of this bill is to enable the merchant seaman to recover compensation for accidents occurring at any time anywhere upon the ocean, and it is because he is beyond the territory of the country that the federal Government has the best means of control. This legislation applies to seamen employed in home trade and on foreign voyages.

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

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

Hon. Mr. Kinley: Next sitting.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 310, 311 and 312, which were presented yesterday.

Hon. Arthur W. Roebuck, Chairman of the committee, moved that the reports be adopted.

The motion was agreed to, on division.

CHALMERS CASE

The Senate proceeded to consideration of the report of the Standing Committee on Divorce, No. 313, which was presented yesterday.

Hon. Mr. Roebuck moved that the report be adopted.

He said: Honourable senators, this report deals with Bill W, intituled "An Act for the relief of Jack Stevenson Chalmers". As I explained yesterday, after we had given first reading to the bill the respondent wrote in stating that she objected to the accusations made in the petition and wanted an opportunity to oppose it. The bill was then referred to the committee, which issued an order requiring the petitioner to pay the respondent \$100, to enable her to oppose the petition. She received the money, but she did not oppose the petition, and in the report now before the house the committee recommends that the bill be reinstated on the Orders of the Day for second reading.

The motion was agreed to, on division.

BILL—SECOND READING

Hon. Mr. Roebuck, with leave, moved the second reading of Bill W, an Act for the relief of Jack Stevenson Chalmers.

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

BILL—THIRD READING

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

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

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

REPORTS ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 314 to 336, which were presented yesterday.

Hon. Mr. Roebuck, moved that the reports be adopted.

The motion was agreed to, on division.

PRIVATE BILL

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—SECOND READING

Hon. Arthur W. Roebuck moved the second reading of Bill Q-12, an Act respecting the Baptist Convention of Ontario and Quebec.

He said: Honourable senators, this is a very simple bill, and a very delightful one to sponsor. I fancy I need say very little by way of explanation.

The Baptist Convention of Ontario and Quebec was incorporated in 1889 and has been carrying on the great work of that church in both provinces ever since. It is unnecessary for me to state how great that work has been. I will simply quote from a letter I received from Mr. M. Cleeve Hooper, Q.C., the solicitor for the church, in which he says:

The convention came into being by the statute of 1889, which we now propose to amend, and has operated continuously during the subsequent years. There are nearly five hundred Churches and Missions associated with the Baptist Convention of Ontario and Quebec throughout the two provinces, and they represent an adult membership of more than 52,000 people.

Mr. Hooper names some prominent people who belong to the church, whom of course I will not name. Indeed, I see in our midst some prominent persons whom I know to be members of that church.

The bill proposes to amend the constitution of the convention in two small and inconsequential details. First, it would change the name "The Church Edifice Board of the Baptist Convention" to "The Church Extension Board of the Baptist Convention". The new name is thought to better describe the work being carried on by the board.

Secondly, the bill would give this board certain additional powers. In more recent times the board has been actively engaged

in the obtaining of sites and the building of church edifices. Therefore, the bill authorizes the Convention to appoint:

A board for assisting Regular Baptist churches, by loan or gift, in the acquisition, erection and maintenance of church edifices, and the acquiring of lands as sites therefor, to be called "The Church Extension Board of the Baptist Convention". The board, when it deems it expedient, may itself acquire and hold the land, and erect and maintain the buildings. The objects of the board shall include the promotion and establishment of new Regular Baptist churches within the provinces of Ontario and Quebec. The board may do all such lawful acts and things as are incidental or may be conducive to the attainment of its objects, and in particular may, when it deems it expedient, in relation either to new or existing churches, manage and control all matters relating to the real property required therefor, the construction, equipment and maintenance of buildings for the use of such churches, and the financing, in whole or in part, of any such projects.

I am sure all honourable senators will be pleased to facilitate this board in its good work.

I may say that the situation is complicated, because the act of incorporation has been amended once or twice. If the house sees fit to give the bill the second reading, I will move that it be referred to the Committee on Miscellaneous Private Bills.

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

REFERRED TO COMMITTEE

Hon. Mr. Roebuck: Honourable senators, with reference to the consideration of this bill in committee may I refer to Senate Rule 119, which reads:

No committee on any private bill originating in the Senate (of which notice is required to be given), is to consider the same until after one week's notice of the sitting of such committee has been posted up in the lobby . . .

One can imagine what might happen if we waited a week before this bill were considered in committee—it might well not be considered this session. Therefore, I intend to move, with leave of the Senate, that Rule 119 be suspended in so far as it relates to this Bill.

I have an explanatory note: The purpose of this motion is to dispense with the one week's delay imposed by Rule 119 between the second reading of the bill and the consideration thereof by the committee to which it is referred.

Perhaps to keep the procedure more orderly, I should first move that the bill be referred to the Standing Committee on Miscellaneous Private Bills. I so move.

Hon. Mr. Haig: Honourable senators, on a point of order, may I suggest that as this bill has to do with financial matters—the making of loans and the buying of property—it might be advantageous to refer it to the Standing Committee on Banking and Commerce, which meets almost daily.

Hon. Mr. Hugessen: It is meeting tomorrow.

Hon. Mr. Haig: I would be in favour of having this bill dealt with tomorrow by the Banking and Commerce Committee. If it is postponed for one week it may have to wait over until after the election.

Hon. Mr. Roebuck: In the circumstances, if the honourable Leader of the Government (Hon. Mr. Macdonald) concurs in that suggestion, I shall move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Macdonald: Honourable senators, may I point out that it has not been customary for the Leader of the Government in the Senate to make any suggestion with respect to private bills. Personally, I have no objection to reference of this bill to the Banking and Commerce Committee.

I should like to add that I am not of the opinion that if this bill were not considered in Committee until next week it would go over until after the election. I am not that optimistic.

Hon. Mr. Roebuck: We are taking no chance.

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

SUSPENSION OF RULE

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

That Rule 119 be suspended insofar as it relates to the Bill (Q-12) intituled "An Act respecting The Baptist Convention of Ontario and Quebec".

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 27, 1957

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

Prayers.

Routine proceedings.

PRIVATE BILLS

PROGRESSIVE INSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill F-11.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (F-11) intitled: "An Act respecting Progressive Insurance Company of Canada", have in obedience to the order of reference of March 21, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

THIRD READING

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

Hon. Mr. Hayden: Honourable senators, this is one of two bills which still have to make their way through the House of Commons before prorogation. As time is getting short, I would move, with leave of the Senate, that this bill be read the third time now.

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

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill Q-12.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (Q-12) intitled: "An Act respecting The Baptist Convention of Ontario and Quebec", have in obedience to the order of reference of March 26, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

THIRD READING

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

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

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

MUNICIPAL GRANTS BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill 158.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (158) intitled: "An Act to amend the Municipal Grants Act", have in obedience to the order of reference of March 21, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

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

Hon. Mr. Macdonald: Next sitting.

UNIVERSITIES

PROPOSED FREE TIME ON C.B.C. FOR WEEKLY TELECAST—DEBATE ADJOURNED

(Translation):

Hon. Jean-François Pouliot: Honourable senators, I am happy to move, seconded by the Honourable Senator Jodoin:

(Text):

That, in the opinion of this house, the Canadian Broadcasting Corporation should each week grant a thirty minute free time for TV broadcasting to the Canadian universities.

I am honoured in having this motion seconded by the honourable senator from Sorel (Hon. Mrs. Jodoin). The motion is not contentious, it is not political, and I hope that it will be adopted unanimously as an evidence of our good will to the Canadian universities. If it is, it will be a strong inducement to the Government to bring pressure on the Canadian Broadcasting Corporation to have such educational programs broadcast each week.

Hon. Mr. Davies: May I ask the honourable senator whether the universities have asked for this?

Hon. Mr. Pouliot: No, sir. It is a generous impulse that has inspired me; and I hope the motion will be supported by all honourable senators.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, for once I approve of the remarks made by my honourable colleague (Hon. Mr. Pouliot). In this atomic age, speed is the order of the day.

I am happy to see that our distinguished colleague seems to have changed his mind, since he now approves the steps we have taken.

Several weeks ago, our friend took issue with the Government in the matter of granting money to the Canada Council for distribution to universities in order that they may help talented students who cannot afford to go to the university. As we have already been told, Canadian universities receive gifts from private sources and from foundations.

Will some bureaucrat object to the acceptance of the full amount of these grants? I do not know but I hope everything will work out all right.

Over the week-end I learned that the National Research Council distributes several thousand dollars to universities to promote certain scientific studies and research.

I am told that, even at Laval University, it would be impossible, without these grants, to do such research work.

I agree with my honourable friend (Hon. Mr. Pouliot). The C.B.C. might very well, instead of the ineptitudes which have been served us, broadcast educational programs that would be both interesting and instructive. But such a step would have to be supported by all the social and educational associations interested in the cultural development of our country. What is good in principle should be accepted, whatever its source. If this proposal can promote scientific methods and ensure better understanding among Canadians, I believe it should be given unqualified approval.

For some years, the C.B.C. has been broadcasting an educational program called "Radio-Collège" which I find excellent. Unfortunately I am not always free to follow it. University professors take part in this program and are paid by the C.B.C., which has to come to Parliament for the necessary funds. I repeat that our honourable friend had mended his ways, for deeds speak louder than words.

I am happy to see that our colleague accepts the principle of good will and wants to see to it that Canada as a whole benefits from the educational features which this motion would promote.

(Text):

Hon. W. Ross Macdonald: Honourable senators, I am not rising to oppose the spirit

of the motion, but I wonder if the resolution should be passed in its present form. It reads:

That, in the opinion of this house, the Canadian Broadcasting Corporation should each week grant a thirty minute free time for TV broadcasting to the Canadian universities.

I think all honourable members are in accord with the desire that the Canadian Broadcasting Corporation should, throughout the year, give as much free time as possible to discussion of the work of the Canadian universities. Would it not be better, however, if instead of our passing the resolution I brought it to the attention of the Canadian Broadcasting Corporation, and stated that the Senate is in accord with the suggestion that as much free time as possible be given to the Canadian universities?

Hon. W. Rupert Davies: Honourable senators, I am not sure that I am in accord with the suggestion. I think we should realize that this is a very difficult matter. It is all very well to say that the Canadian Broadcasting Corporation shall give free time to the universities, but in order to do so the corporation would have to secure the free time from all the commercial stations across the country; and that is not as easy as it seems, for when the C.B.C. broadcasts a nationwide program a great deal of it is channelled over private stations. At the present time all the television and radio stations are giving a good deal of free time to this, that and the other subject. I do not know that the Senate should try to put pressure on the C.B.C. in this matter, for that would be tantamount to asking all the commercial stations to give the free time.

Hon. Mr. Lambert: Honourable senators, I suggest that it might be advisable to keep this resolution in suspense until we and the country as a whole have an opportunity to study the recommendations of a certain report being tabled in Parliament today, and which I think might have a bearing on the whole question.

Hon. Mr. Croll: Honourable senators, I am in favour of the resolution, but I am somewhat at a disadvantage, which is entirely my own fault, in not having quite understood everything that was discussed this afternoon. I should like to have an opportunity of looking at and adding to the record, and therefore I now move the adjournment of the debate until, say, Tuesday.

Hon. Mr. Pouliot: Did the honourable gentleman say that he wanted the debate to be adjourned to doomsday?

The Hon. the Speaker: I heard no such expression.

On motion of Hon. Mr. Croll, the debate was adjourned.

MERCHANT SEAMEN COMPENSATION BILL

THIRD READING

Hon. John J. Kinley moved the third reading of Bill 178, an Act to amend the Merchant Seamen Compensation Act.

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

FERTILIZERS BILL

SECOND READING

Hon. John A. McDonald moved the second reading of Bill R-12, an Act for the regulation and control of agricultural fertilizers.

He said: Honourable senators, when a copy of this bill was first handed to me yesterday morning I was surprised to note that it contained only a short paragraph by way of explanatory notes. This short explanation, which appears on the page opposite sections 1 and 2 of the bill, reads:

The principal purpose of this bill is to meet recent developments and trends in the plant food industry. No major changes in substance are contemplated. The form of the bill corresponds to the agricultural statutes enacted in recent years.

I am sure it would be of considerable advantage to honourable senators if bills such as this contained an explanatory note on each section. With the use of such notes one could explain the bill more easily and honourable senators would be able to follow the explanation better. In order to get an understanding of this bill it was necessary for me to go to the senior officers of the fertilizer section of the Department of Agriculture. For the information which I shall pass on to the house today I am very much indebted to the able and willing officers of that section.

I know that many honourable senators appreciate well the great value of fertilizers to our farmers today in the improvement of the agricultural economy; but the rapid progress in utilization of this commodity is known to a lesser degree. The increase in the domestic consumption of fertilizers as shown at 10-year intervals from 1926 to 1956 is remarkable, as the following table indicates:

Years	Tons	Increase
1926-27	169,564	
1936-37	298,276	76 per cent over 1926
1946-47	632,943	112 per cent over 1936
1955-56	800,680	26 per cent over 1946

While fertilizers are beneficial in increasing yields of most crops, they appear to be used in largest volume for specialty crops. For example, in 1956 Kings County, Nova Scotia, used 31 per cent of the fertilizers used in that province. These were for the most part used for fruit, potatoes and improvement of pasture and production of grass. Carleton and Victoria counties in New Brunswick—the potato counties—used 65 per cent of the total for the province. The tobacco, sugar beet and specialty crop area of Ontario, namely, Essex, Kent, Norfolk and Oxford counties, used 37 per cent of the Ontario total.

These figures will perhaps give honourable senators an idea of the way fertilizer is used throughout the provinces, and the importance it is assuming. As more and more of our farmers realize the great need for and benefit from the use of fertilizers in order to grow maximum crops, consumption will increase.

Canada is not self-sufficient in fertilizer materials. The main components of fertilizer are nitrogen, phosphorous and potash, and Canada has a surplus of nitrogen only. Importations of fertilizers in 1955-56 totalled 907,000 tons, including 708,000 tons of phosphate materials and 152,000 tons of potash materials. Exports of fertilizers in the same period totalled 870,000 tons, consisting mainly of ammonium sulphate, ammonium phosphate, ammonium nitrate and cyanamide. Eighty per cent of the nitrogen produced in Canada is exported.

Honourable senators who are members of the Land Use Committee have heard by the evidence given before that committee how important it is that farmers use fertilizers, especially on farms that are not as productive as they could be made. For instance, we learned that even marginal lands may be brought into much greater production by the wise use of fertilizers.

Farmers today generally have their soils analysed and know in what respect they are deficient. In the eastern part of Canada most of the soils are acid and require the application of lime. After lime is applied, the wise use of fertilizer can greatly increase the crops which the farmer wishes to produce. I am not at all sure that the soils in western Canada will benefit from the use of fertilizer as the soils in the east do, but I believe that in years to come much more fertilizer will be used in the western provinces than is used there today.

Development is taking place in Saskatchewan for production of potash, and it is expected that actual production will commence late next year. With this development Canada should be self-sufficient in all but

phosphorous. A potash plant is being established near Saskatoon, where, I understand, there are large deposits of potash, if they can be got at. The phosphoric acid that farmers use is imported by western Canada mainly from the states of Montana and Wyoming, and by eastern Canada from the state of Florida.

The fertilizer industry is big business today. It is a \$100 million industry, with 40 per cent of the production dollarwise being exported.

The Fertilizers Act, which was passed in 1922, was amended in certain details in 1928 and 1947. The fundamental purpose of the bill is to require that all fertilizers sold in Canada be marked to show the guaranteed plant food content, and to provide for inspection and analysis to ensure that they meet their guarantees.

An important secondary provision of the bill requires official registration of fertilizers, for the purpose of prohibiting the sale of those which do not meet the requirements of the act. I think it is only fair to state that the officials of the Fertilizer section of the Department of Agriculture have done a great work over the years. Their inspectors have been very active, and they have so handled the situation that the farmer has been assured of getting the quality of fertilizer that was spelled out on the labels of the fertilizer containers. I do not think there has been any prosecution of fertilizer dealers or manufacturers under the act for some years.

The act contains several items of detail which have been found to be inadequate and outdated in the light of recent technical developments and merchandising practices. The bill in no way changes the basic purpose or substance of the act, but provides for the establishment by regulations of matters of operating detail which need periodic revision. With the Law Clerk of the Senate I went over other agricultural statutes which have been revised in recent years, and found that two such acts were revised in the session of 1955, namely, the Canada Agricultural Products Standards Act and the Meat Inspection Act. The bill before us is similar in form to these two acts. Also, it provides for the same penalties as they do. I may say that these penalties are much more severe than the ones specified in the present Fertilizers Act.

Honourable senators, I intend, if this bill receives your approval and is given second reading, to ask that it be sent to the Standing Committee on Banking and Commerce for further consideration. This is a bill which, if we had had it earlier in the session, could

have been studied with profit by the Standing Committee on Natural Resources. I would not mind referring it to the latter committee, except that I think the Banking and Commerce Committee is meeting more or less regularly and perhaps would wish to consider this public bill. There is, I believe, some urgency about getting the bill through this house; I understand the Minister of Agriculture and the department are very anxious that the bill be passed at this session. Of course, if it is the wish of honourable senators that the bill be referred to the Standing Committee on Natural Resources, I shall be more than pleased, because the members of that committee would at least be expected to know more about this legislation than the members of the Banking and Commerce Committee do.

Hon. T. A. Crerar: Honourable senators, may I ask the honourable gentleman a question? This measure replaces the Fertilizers Act, which is to be repealed. It is therefore new legislation, and I agree with his comment that the explanatory notes to the bill might at any rate have been fuller than they are. Can the honourable senator tell us how many persons are employed in the administration of the present Fertilizers Act? I presume the same number will be required under the new act.

Hon. Mr. McDonald: I am sorry I have not that detail, but we can secure it in committee. I may say that the chief officers of the Fertilizer section of the Department of Agriculture will be present when the bill is considered in committee.

Hon. Mr. Crerar: I ask that question, honourable senators, because from reading the bill I gather that there will be a substantial number of employees. It does seem to me that a bill of this kind could be framed in simpler terms. After all, the purpose of the legislation is to protect users of fertilizers against abuse. If the bill did these three things: (1) defined fertilizers; (2) required the person selling them to show clearly on the bag or other container the constituent elements of the contents; and (3) specified the penalties for violation of the standards, I think that the requirements would be pretty well met. I am bound to say that section 4, which authorizes the making of regulations, looks to me rather formidable, and since Canada is a very large country, extending from Newfoundland to British Columbia, I should think that the staff necessary to administer the act, in addition to those who may be based here in Ottawa, will be very substantial. I think it might be useful if the committee, whose meeting I might not

be able to attend, were to get complete information on that particular point. I am bound to say that it appals me somewhat when I see the expansion of our Civil Service in all directions, and I cannot avoid thinking of the fact that every time a new civil servant is hired to do a job that could probably have been handled in some other way, an additional burden is placed upon the taxpayers of the country.

Hon. Mr. Aseltine: Honourable senators, may I ask the sponsor of the bill a question with regard to offences and penalties? I notice that in section 10 the penalties have been increased considerably. Can the honourable gentleman tell us if there has been any trouble in the administration of the present act, and what prosecutions, if any, were undertaken? Also can he give us some concrete information as to why these penalties are being increased to such an extent.

Hon. Mr. McDonald: Honourable senators, the penalties are set out in section 10, and, as I indicated before, are similar to those contained in other leading agricultural statutes. It is true that the amounts have been increased, but I think the tendency to increase penalties of this order is general. I asked the chief administrative officer if there have been any prosecutions, and he assured me that in recent years there has not been one. This, as he remarked, indicates that the inspectors have done their work very thoroughly, that farmers have been assured of the amount and the quality of fertilizer which they paid for so that prosecutions have been unnecessary. For the benefit of honourable members who may not be familiar with these things, I may mention that the labels will contain a statement as to the maker, the contents and the quality of the fertilizer. For instance, the numerals 6-12-6 indicate that the product contains, by weight, six parts of nitrogen, twelve parts of phosphoric acid, and six parts of potash. The inspectors, in the course of their duties, take samples from bags which may be stored ready for shipment, or held by retailers, or may even be on farms; and it is just too bad for the people who put up these fertilizers if they do not measure up to the contents as stated on the labels.

Hon. Mr. Euler: If the administration has been so efficient that no prosecutions have been necessary, why should the penalties be increased?

Hon. Mr. Aseltine: On the principle of conformity.

Hon. Mr. McDonald: That, honourable senators, is a nice question, but I am not in a position to add to the answer I have given,

that the intent is to bring the penalty clauses into line with those contained in other important agricultural statutes. I have heard it suggested that if a prosecution should become necessary the existing penalties would be too low.

Hon. A. K. Hugessen: I am glad that the sponsor intends to propose that, if the bill receives second reading, it go to committee, and I trust that legal officers of the Department of Agriculture will be in attendance there, because the bill strikes me in one way as being very peculiar. Section 1 states:

1. This Act may be cited as the Fertilizers Act.

But, according to section 13—
The Fertilizers Act is repealed.

If the bill is passed in this form, will it not be like the snake which swallows its own tail?

Hon. Arthur W. Roebuck: I, too, hope that the officers of the legal branch of the department will be present when this bill is considered in committee, because, while certainly I am not in a position to discuss the subject with the knowledge of the honourable senator who is sponsoring the bill, I very much doubt its adequacy to accomplish the intended purpose, namely, to protect purchasers from the fraudulent and perhaps careless sale of fertilizers.

There are in this bill two prohibiting sections. Section 9 states:

9. No person shall sell any fertilizer or supplement that contains destructive ingredients or properties harmful to plant growth when used according to the directions accompanying the fertilizer or supplement or appearing on the label of the package in which the fertilizer or supplement is contained.

You will observe that before the prohibition is to apply the product must be sold. In other words, an inspector must find the product already sold before prohibition can take effect or any of the penalties can be applied. In actual fact, I assume, he will visit a wholesaler or a retail house and inspect the fertilizer which is there on sale, and not wait until the sale has taken place before he makes his examination. So I suggest there should be added to this clause the words: "No person shall sell or have in possession for sale". Is that not most important?

Hon. Mr. Quinn: "Or manufacture for sale".

Hon. Mr. Roebuck: Yes, that might well be added, too. But if he has it in his possession for sale that would be sufficient: all the inspector would have to do would be to drop in to any place where the fertilizer is on sale, and take his samples: the prohibition would then become effective.

Hon. Mr. Hugessen: May I interrupt my honourable friend? I think the point is covered by the definition clause, paragraph 2 (h):

(h) "sell" includes sell, offer for sale, expose for sale, have in possession for sale and distribute.

Hon. Mr. Roebuck: Yes, that answers my point. I had not observed the definition. There is, nevertheless, something else I should like to say. The bill prohibits any fertilizer or supplement containing destructive ingredients. That, of course, is an excellent provision: no one should sell a fertilizer containing destructive ingredients. But it seems to me that the prohibition should go further, and that no one should sell a fertilizer which is not a fertilizer, although it may not be destructive of or harmful to plant growth.

Hon. Mr. Hayden: To do so would be fraud, would it not?

Hon. Mr. Roebuck: I suppose that if the product were sold as a fertilizer and proved destructive to plant growth the transaction could be fraudulent, but the vendor might plead that he had no knowledge of the fact.

Hon. Mr. Hayden: But if, though it had no fertilizing property, it was sold as a fertilizer, that would be fraud, would it not?

Hon. Mr. Aseltine: The product must conform to the requirements of section 3.

Hon. Mr. Roebuck: It might be possible to prosecute the offender under the Criminal Code, but the code is not well designed to support a measure of this kind. The prohibition in the bill should be sufficiently definite and complete to give the inspectors the powers which are required to carry out the purposes of the bill. I think there should be a definite provision that fertilizers which are destructive or harmful to plant growth are prohibited. What we ought to provide is that a description of the properties of the fertilizer shall be marked on the bag or other container and that the fertilizer itself shall be in keeping with the description. That at least would give some protection. We might go a little further and say that a fertilizer must fertilize, that it must be of some value. Under this legislation you could sell something that has no value at all.

Hon. Mr. Lamberti: What is a fertilizer supposed to do?

Hon. Mr. Aseltine: Is that not covered by section 3?

The Hon. the Speaker: Order. One speaker at a time.

Hon. Mr. Roebuck: A fertilizer is supposed to fertilize, and there is nothing here that says it must do that. It says it must not be destructive.

Hon. Mr. Aseltine: Is that not covered by section 3?

Hon. Mr. Roebuck: No, it is not. Section 3 reads.

No person shall sell, . . .

Under the Interpretation Act, that includes having possession for sale.

. . . or import into Canada, any fertilizer or supplement unless the fertilizer or supplement has been registered as prescribed, . . .

Hon. Mr. Aseltine: And labelled.

Hon. Mr. Roebuck: I presume you cannot register it until it is imported. A person should have some time to register it after its importation. The section continues:

. . . conforms to prescribed standards and is packaged and labelled as prescribed.

That might cover the packaging to some extent, but a person ought to be required to label the package, and the label should conform to the materials enclosed in the package. I am under the impression that some further consideration should be given to this phraseology by the members of the department, particularly by its legal staff.

Hon. Salter A. Hayden: Honourable senators, I was very pleased to hear the sponsor of the bill (Hon. Mr. Macdonald) indicate that it will be referred to committee. However, I cannot say I was so pleased at his suggestion that the Banking and Commerce Committee would be the proper one to consider a bill dealing with the regulation and control of the agricultural fertilizers.

Hon. Mr. Aseltine: Why not?

Hon. Mr. Hayden: I am sure that some of the agricultural experts in the Senate must be getting a great deal of satisfaction or amusement from the fact that, in the main, those discussing this bill happen to be lawyers.

Hon. Mr. MacKinnon: Hear, hear.

Hon. Mr. Hayden: As I said to a colleague a little earlier, I find it very surprising that in such a charmed year as 1957, and having regard to an important event which may take place in the month of June, we should be considering anything that has to do with the regulation or control of fertilizers.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hayden: There are one or two things in this bill to which I should like to draw the attention of honourable senators. When I read the definition of fertilizers I find it might cover natural fertilizers as well as manufactured fertilizers. Is that intended to be so? I find that an inspector and an analyst are defined as persons appointed or designated as such under section 5 of the bill.

But all I find in section 5 is that the minister may designate any person as an inspector or an analyst for the purposes of this act. I find nothing in the regulations apart from the omnibus clause at the end, prescribing any conditions or qualifications under which a person may be appointed or designated as an inspector or an analyst. Maybe he does not need to be qualified.

Hon. W. Ross Macdonald: That is why lawyers are speaking to the bill.

Hon. Mr. Hayden: That could be. I also find other peculiarities, and I am only referring to them in a general way to indicate it is a happy thought that the bill is going to be sent to committee. Its drafters even found it necessary to define the word "prescribed":

"Prescribed" means prescribed by regulation.

Turning to the regulations, section 4(i) says that the Governor in Council may make regulations

prescribing anything else that by this act is required to be prescribed.

A person who can fit those together and get some sense out of them is a mastermind. I should have thought that clause (i) was all-embracing for I cannot determine its extent or scope, but apparently it is not enough, because clause (j) provides that the Governor in Council may make regulations.

generally, for carrying out the purposes and provisions of this act.

Very often that provision is appended to a whole enumeration of powers by regulation, but to find it together with the previous one would suggest that this legislation was put together by picking bits and pieces from a number of statutes. It has resulted in a confusing overrun of words and language.

Hon. Mr. Hugessen: Perhaps it was drafted by a fertilizer expert.

Hon. Mr. Hayden: Then there is the point brought up by my honourable friend from Inkerman (Hon. Mr. Hugessen) to the effect that if we pass the bill there may be no Fertilizers Act at all.

Honourable senators, this bill should be given careful consideration. I do not know why it is so urgent that it be put into effect. The present Fertilizers Act has functioned very smoothly. There have been no prosecutions under it, so it has not provided any business for lawyers, and that is a very sad thing. But, seriously speaking, if the Fertilizers Act has been so successful why should we try to put this bill through so late in the session, particularly when some more important legislation has been put over until the

next session of Parliament? We should take a good look at this measure and not be in too big a hurry to pass it.

Hon. Norman P. Lambert: Honourable senators, speaking as an amateur agriculturist and a limited user of fertilizers, I would point out that there is one aspect of this bill which has not been mentioned in the discussion so far. It rather implies the necessity of protecting the manufacturer or the originator of fertilizers as well as their users. As I understand it, fertilizers can be applied to perfectly good soil without giving the desired results. When this happens the manufacturer or originator of the fertilizer is exposed to a charge that his product is not good, when, in fact, the trouble very often results from climatic conditions. Climatic conditions have more to do with producing good results than all the fertilizers that can be applied to soil. Therefore, I think some attention should be paid in committee to the other side of the picture. If fertilizers are to be considered as the main consideration of my potato-growing friends in the Maritime provinces, particularly in New Brunswick, I would accept that as one basis of criterion. I would say another basis might be the fact that the perfectly good alluvial soil of the bench lands of the Ottawa Valley does not always respond as might be expected to certain chemical fertilizers, particularly when climatic conditions are not favourable. I say that without implying any criticism of the manufacturers of fertilizers.

Hon. Mr. Burchill: Following upon the remark of the honourable senator from Toronto (Hon. Mr. Hayden), I wonder if the sponsor of the bill would enlighten us as to what demand, if any, there has been for this legislation? Is any provincial body, agricultural community, society, or association in any way responsible for the proposed repeal of the present act?

Hon. Mr. McDonald: I asked that question, and was informed that the present act was outdated. The department had been working on its revision for some time, and I was told that the reason why the bill was not introduced earlier was that it had been under consideration by both the Justice Department and the legal officers of the Department of Agriculture and they had completed the work only quite recently. If the bill goes to committee, I believe the legal officers of the Department of Agriculture, and possibly representatives of the Justice Department as well, will be able to answer most of the inquiries which have been raised. I have no doubt that very careful consideration has been given to the drafting of the legislation; it is a very important measure,

and of course we do not wish to pass a bill with mistakes in it. I might add, in reply to the honourable member from Toronto (Hon. Mr. Hayden), that it is certainly reasonable to suppose that the natural fertilizers, and also lime, do not come under this act.

Hon. W. Ross Macdonald: Honourable senators, before any *bona fide* farmer speaks, I would like to add a word.

The honourable senator from Toronto suggested that this measure is comparatively unimportant. On the contrary, it is very important, for the spring season is coming, and the fall season will be here before this house reassembles after the election; and even a lawyer knows that fertilizer is spread either in the spring or fall or in both seasons.

Hon. Mr. Aseltine: And in winter.

Hon. Mr. Macdonald: And probably in the winter; but I hope we shall be back here before the snow flies.

The honourable senator from Toronto asked why the present act should be repealed if it is working all right. Nobody said it was working all right. There has been no prosecution under it for some time, but the act is not satisfactory. The farmers, the users of fertilizers, are not getting the protection to which they are entitled, and it is felt that the act should be amended now in order to protect the farmers during the coming fertilizing season.

Honourable senators will have noticed that the bill was introduced in this house. It is the wish of the Department of Agriculture that the bill should be approved and come into force before Parliament is dissolved.

I am completely in accord with the suggestion that the bill should be referred to the Committee on Natural Resources. The honourable senator who explained the bill (Hon. Mr. McDonald) suggested the Committee on Banking and Commerce, because he was under the impression that that committee was to meet tomorrow, in any event. However, I do not believe it is expected to meet tomorrow. I hope that the Committee on Natural Resources will be able to meet tomorrow, to consider this bill, and if possible dispose of it, or at least commence its consideration. When the committee reports to the house we shall give the bill the careful consideration we give to all bills, and I hope

we shall be able to get it over to the House of Commons in time for consideration there before dissolution of Parliament.

Hon. Mr. Roebuck: Would it not be better if the bill did not get to committee tomorrow, so that the departmental officials might have some chance to consider it in the light of the criticism that has been expressed?

Hon. Mr. Macdonald: If the departmental representatives feel they have not had an opportunity to give consideration to the suggestions raised here, I have no doubt they will say so when the committee meets. I think the committee should at least start its deliberations tomorrow.

Hon. Mr. Cameron: Some of the members of the Natural Resources Committee are also on the Land Use Committee, which is meeting tomorrow. It might be better to set another day for consideration of this bill.

Hon. Mr. Wall: Honourable senators, the absence of explanatory notes and annotations prevents me from judging correctly whether I should or should not be perturbed about section 4(d). It says the Governor in Council may make regulations:

for exempting any fertilizer or supplement or any person from the operation of all or any of the provisions of this act.

I do not know on what grounds such discretionary exemptions could be made but probably when the officials appear before the committee they will be able to explain.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, the bill was referred to the Standing Committee on Natural Resources.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 337 to 350, which were presented yesterday.

Hon. Arthur W. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 28, 1957

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

Prayers.

Routine proceedings.

THE ROYAL ASSENT

NOTICE

The Hon. the Speaker: Honourable senators, I have the honour to inform you that I have received the following message from the Secretary to the Governor General:

GOVERNMENT HOUSE

Ottawa

March 27, 1957.

Sir,

I have the honour to inform you that the Hon. Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber on Thursday, the 28th March, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,

Lionel Massey,

Secretary to the Governor General.

The Honourable,

The Speaker of the Senate,
Ottawa.

LAND USE

REPORT OF SPECIAL COMMITTEE ADOPTED

Hon. John A. McDonald, for Hon. Mr. Power, Chairman of the Special Committee on Land Use in Canada, presented the committee's second report.

He said: Honourable senators, this is the committee's second and probably last report of this session.

The report was read by the Clerk Assistant as follows:

The Special Committee on Land Use in Canada make their second report as follows:

1. In accordance with the order of reference of January 30, 1957, your committee held nine meetings, at which 27 witnesses were heard.

2. Your committee feels that while the progress made is gratifying, it also serves to illustrate the magnitude of the problem to be studied and to rule out any possibility of fully reporting on the subject at the present session of Parliament.

3. Your committee therefore recommends that the committee be reconstituted at the next session of Parliament to continue the inquiry.

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

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

Honourable senators, on behalf of the honourable senator from Gulf (Hon. Mr.

Power), Chairman of the Special Committee on Land Use in Canada, may I take this opportunity of thanking the members of the committee for their conscientious devotion to duty. They have shown a great interest in this study and it has been a pleasure to work with them. It is our hope that the committee will be reconstituted at the next session to continue this valuable work.

The motion was agreed to.

FERTILIZERS BILL

REPORT OF COMMITTEE

Hon. Cyrille Vaillancourt, Chairman of the Standing Committee on Natural Resources, presented the report of the committee on Bill R-12.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Natural Resources, to whom was referred the Bill (R-12) intitled: "An Act for the Regulation and Control of Agricultural Fertilizers", have in obedience to the order of reference of March 27, 1957, examined the said bill and now report the same with the following amendment:

Page 4, line 30: strike out clause 13 and substitute therefor the following: "13. The Fertilizers Act, chapter 115 of the Revised Statutes of Canada, 1952, is repealed."

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

Some Hon. Senators: Now.

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

Hon. Mr. Roebuck: Not now; next sitting. I am not satisfied with the report and I am not prepared to discuss it so soon after it has been presented to the house.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 351 and 352, dealing with petitions of divorce, and moved that, with leave of the Senate, the said reports be taken into consideration today.

The motion was agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck: Honourable senators, these reports having been concurred in, I now present bills covering the same cases:

Bill D-14, An act for the relief of Georges Henri Durocher.

Bill E-14, An Act for the relief of Pauline Jarowyj Krymlak.

The bills were read the first time.

REPORTS ADOPTED

On motion of Hon. Mr. Roebuck, made with leave, the reports were adopted.

SECOND READINGS

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

Hon. Mr. Roebuck: With consent of the Senate, I move the second reading now.

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

THIRD READINGS

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

Hon. Mr. Roebuck: With consent of the Senate, I move the third readings now.

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

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill S-12, an Act for the relief of Jacques Petel.

Bill T-12, an Act for the relief of Cairlan Lawrence Earle Gagnon.

Bill U-12, an Act for the relief of Julio Donato Cianci.

Bill V-12, an Act for the relief of Mimi Frances Aberback Sherback.

Bill W-12, an Act for the relief of Alphon-sine Alain Lachance.

Bill X-12, an Act for the relief of Mary Patricia Pierrette Brisebois McGuire.

Bill Y-12, an Act for the relief of Marjorie Alice Ridout Collett-White.

Bill Z-12, an Act for the relief of Mary Elizabeth Catherine Russell Morgan.

Bill A-13, an Act for the relief of Anne Glassberg Craft.

Bill B-13, an Act for the relief of Joseph Napoleon Hyacinthe Romeo Cote.

Bill C-13, an Act for the relief of Agathe Rose Alma Bisson Taillefer.

Bill D-13, an Act for the relief of Nick John Onescu.

Bill E-13, an Act for the relief of Richard Supple.

Bill F-13, an Act for the relief of Joan Dorothy Beaver Mavor.

Bill G-13, an Act for the relief of Barbara Bennett Roach.

Bill H-13, an Act for the relief of William George Walker.

Bill I-13, an Act for the relief of Mary Ghetler Feldman.

Bill J-13, an Act for the relief of Joseph Bernard Guy Locas.

Bill K-13, an Act for the relief of Andreas Erdelyi.

Bill L-13, an Act for the relief of Theresa Alice Cain Martin.

Bill M-13, an Act for the relief of Millicent Felicite Dawson Stairs.

Bill N-13, an Act for the relief of Philippa Hazel Martin Foster Hill.

Bill O-13, an Act for the relief of Wilfrid Lanouette.

Bill P-13, an Act for the relief of Fanny Faye Fox Cohen.

Bill Q-13, an Act for the relief of Ronald Pike.

Bill R-13, an Act for the relief of Micheline Bourdon Russell.

Bill S-13, an Act for the relief of Rose Marie Bremner Middleton.

Bill T-13, an Act for the relief of Donalda Ruth MacCrimmon Belak.

Bill U-13, an Act for the relief of Joseph Laureat Pierre Valois.

Bill V-13, an Act for the relief of Mary Patricia Happy Sullivan.

Bill W-13, an Act for the relief of Frances Ellison Schnebley Pattee.

Bill X-13, an Act for the relief of Sylvia Rapp Snider.

Bill Y-13, an Act for the relief of Barbara Ray Howard Goulet.

Bill Z-13, an Act for the relief of Bernice Clyde Brown.

Bill A-14, an Act for the relief of Harry Payne Ward.

Bill B-14, an Act for the relief of Roman Krastins.

Bill C-14, an Act for the relief of Sam Essner.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. Roebuck: With consent of the Senate, I move that these bills be read the second time now.

Hon. Mr. Haig: Next sitting.

Hon. Mr. Roebuck: Honourable senators, these are divorce bills, and if I recollect rightly it was my friend's deputy (Hon. Mr. Aseltine) who suggested at a previous sitting that as the session appears to be nearing its end we should put divorce bills through this house on the day they are presented, in order that they may be considered in the House of Commons before prorogation.

Hon. Mr. Haig: But you did not ask to have these bills put through yesterday.

Hon. Mr. Roebuck: Yesterday I presented the reports on which these bills are based, but the bills themselves were not ready then.

Hon. Mr. Haig: Honourable senators, the point I want to make is that my honourable friend always objects when any of us want to adopt the same procedure for other bills. That game can be played by two people. This afternoon a bill was reported from committee with only a slight amendment, clarifying the reference to a statute that is being repealed. The committee was unanimous in its report, and we were anxious to have the report considered today in order to pass the bill and send it to the House of Commons without delay. But my friend held it up; he asked that consideration of the report be postponed until the next sitting. Well, honourable senators, perhaps some members of this house whose homes are in Toronto and Montreal do not care how long the session lasts, for they can go home at weekends, but some of us from distant parts of the country have to spend the whole of every week in Ottawa during the session and we do not like it. "What is sauce for the goose is sauce for the gander".

Hon. Mr. Roebuck: Honourable senators, I have no axe to grind. I do not care any more about these divorce bills than anybody else in this house does. I would ask the honourable Leader of the Opposition to reconsider his words about playing a game. I am not playing a game. I asked that the report of the committee be held over for a good and substantial reason. I have in mind at least one amendment that is not in the report, and I will be prepared to speak to it when the report comes up for consideration next sitting. But my request in that respect has nothing whatever to do with the passage of these bills for divorce. I am no more interested in these bills than is my honourable friend.

Hon. Mr. Haig: I certainly am not interested in them.

The Hon. the Speaker: I would remind honourable senators that these bills cannot be read a second time without unanimous consent.

Hon. Mr. Haig: Very well; I will agree to it.

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

THIRD READINGS

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

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

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

BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY BILL

FIRST READING

Hon. W. Ross Macdonald presented Bill F-14, an Act to amend an Act respecting the Buffalo and Fort Erie Public Bridge Company.

The bill was read the first time.

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

Hon. Mr. Macdonald: Next sitting.

MUNICIPAL GRANTS BILL

THIRD READING

Hon. Mr. Macdonald moved the third reading of Bill 158, an Act to amend the Municipal Grants Act.

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

The Senate adjourned during pleasure.

The sitting of the Senate was resumed.

ADJOURNMENT

Hon. Mr. Euler, for Hon. Mr. Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Monday next at 3 o'clock in the afternoon.

The motion was agreed to.

THE ROYAL ASSENT

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

- An Act for the relief of Leonard Bloom.
- An Act for the relief of Helen Mary McEachran Cole.
- An Act for the relief of Dorothy Frances Auger DeIacobis.
- An Act for the relief of Patricia Jean Jones Robinson.
- An Act for the relief of Gwendoline Stedman Adrain.
- An Act for the relief of Joyce Bernice Good Taylor.
- An Act for the relief of Jessie Pearce Meti.
- An Act for the relief of Maud Lenore Wheeler Lanctot.

- An Act for the relief of Patricia Anne Wylie Houston Patience.
- An Act for the relief of Anita Marinier Shaver.
- An Act for the relief of Mary Matilda Chatfield Eldridge.
- An Act for the relief of Phyllis Minnie Reid Foster.
- An Act for the relief of Harry Leo Metham.
- An Act for the relief of Dorothy Cumming Ryan.
- An Act for the relief of Robert Allan Taylor.
- An Act for the relief of Eta Krupnick Caron.
- An Act for the relief of Camille Emile Bunlet.
- An Act for the relief of Catharina Lassahn Schwartzje.
- An Act for the relief of Lewis George Joy.
- An Act for the relief of Harvey Clifford Yetman.
- An Act for the relief of Marie Rose Lina Patricia Guertin Theberge.
- An Act for the relief of Jean Prefontaine.
- An Act for the relief of Emma Rosetta Rule Fuglewicz.
- An Act for the relief of Joan Monica Evans Schwarz.
- An Act for the relief of Dianna Mary Beatrice Glasco Cumming.
- An Act for the relief of Edith Chatfield Gossage.
- An Act for the relief of Mary Frances Crosbie. Kirkham.
- An Act for the relief of Elizabeth Trefry Cahusac.
- An Act for the relief of Dudley Nurse.
- An Act for the relief of Aldo Ermacora.
- An Act for the relief of Anastazia Suchodolska Matiosaitis.
- An Act for the relief of Joan Simonne Ghent Brooks.
- An Act for the relief of Philip Tamborino.
- An Act for the relief of Muriel Martha Margaret Wilkins St. James.
- An Act for the relief of Boris Varvariuk.
- An Act for the relief of Stefania Stella Rosiu Nahorniak.
- An Act for the relief of Douglas Pinkney.
- An Act for the relief of Doris Amelia Carter Nicolle.
- An Act for the relief of Aldona Dodon Kulczycki.
- An Act for the relief of Elizabeth Catherine Baggott Allarie.
- An Act for the relief of Edwin Alfred Le Corney.
- An Act for the relief of Margaret Mary Ellen Morningside Hartwell.
- An Act for the relief of Charlotte Ellis Elkin.
- An Act for the relief of Shirley Anne Julian Boyd.
- An Act for the relief of Georgette Paquette Senecal.
- An Act for the relief of Pierrette Beaudry Dennis.
- An Act for the relief of Catherine Phyllis Reid MacDonald.
- An Act for the relief of Grace Alice Williams Jones.
- An Act for the relief of Olga Helen Descyca Eckford.
- An Act for the relief of Patricia Mary Shewan Chalmers.
- An Act for the relief of Edith Beryl Jewett Gagnon.
- An Act for the relief of Gwyneth Owen Young Douglas.
- An Act for the relief of Beverley Carol Wilson Barnes.
- An Act for the relief of Katharine Kimball Little Blake.
- An Act for the relief of Frances Elizabeth Lyon Rose.
- An Act for the relief of Sylvia Elizabeth Good-fellow Rief.
- An Act for the relief of Anne Griffith Brown.
- An Act for the relief of Dorothy Ellen McCulloch Ritchie.
- An Act for the relief of Marie Rose Elizabeth Giroux Lefrancois, otherwise known as Colette Giroux Lefrancois.
- An Act for the relief of Dorothy Amelia Ashmore MacDonald.
- An Act for the relief of Frances May Cousins Stone.
- An Act for the relief of Lorna Claire Bianchi Shields.
- An Act for the relief of Edna Hall Powell Tannahill.
- An Act for the relief of Marion Ruth Bronfman Hoffer.
- An Act for the relief of John Fraser McLean.
- An Act for the relief of Rene Dauray.
- An Act for the relief of Clarence Ronald John Emberg.
- An Act for the relief of Elizabeth Joyce Cole Fraser.
- An Act for the relief of Joseph Rolland Forest.
- An Act for the relief of Bessie Holmes Saunders.
- An Act for the relief of Sarah Spiegel Wigdor.
- An Act for the relief of Joyce Western Dolan.
- An Act for the relief of Christina Muriel Jean Leard Kowal.
- An Act for the relief of Pauline Marguerite Dastous Bourgon.
- An Act for the relief of Marie France Jose Therese Fasbender Rousseau.
- An Act for the relief of Mary Klodin Freeze.
- An Act for the relief of Zigurds Berzins.
- An Act for the relief of Tobia Betze van Lier Franken.
- An Act for the relief of Marthe Brais Laurence.
- An Act for the relief of Miriam Fridman Herszlikowicz.
- An Act for the relief of Cleo Joseph Ladouceur.
- An Act for the relief of Elizabeth Mabel Freestone Lachance.
- An Act for the relief of Marion Campbell Stewart.
- An Act for the relief of Jean MacRae Barnett.
- An Act for the relief of Anita Roberge Fournier.
- An Act for the relief of Louise Yvette Ruth Dumais Jacobson.
- An Act for the relief of Noella Jacques Primeau.
- An Act for the relief of Joan Perl Finfer Weber.
- An Act for the relief of Jacques Alfred LeGault.
- An Act for the relief of Rina Cirl Reich Nutovic.
- An Act for the relief of Harold Ernest Woodrow.
- An Act for the relief of Winnifred Matthews Forrester.
- An Act for the relief of Clara Price Kimmel.
- An Act for the relief of Margaret Nelson Sime Jackson.
- An Act for the relief of John Howard Burland Webb.
- An Act for the relief of Katharine Puobis Dynes.
- An Act for the relief of Edward Kotapski.
- An Act for the relief of Julija Rinkeviciute Strelis.
- An Act for the relief of Samuel Weniger.
- An Act for the relief of Marie-Yvette Laurette Petit Levesque.
- An Act for the relief of Lennard Gordon Spurrell.
- An Act for the relief of Marjorie Edwina Elizabeth Eke Stanley.
- An Act for the relief of Joseph Jacques Robert Mackay.
- An Act for the relief of Sylvia Slutsky Steinhart.
- An Act for the relief of Margaret Frances Dearmond Bonner.
- An Act for the relief of Alice Katherine Sorensen Engel.
- An Act for the relief of Deirdre Joan Lang Srb.
- An Act for the relief of Lily Brigham Hall Fallon.
- An Act for the relief of Margaret Cameron Brown Gravenor.
- An Act for the relief of Naim Shaul Goorji.
- An Act for the relief of Roxcina Viola McPherson Lippiatt.

- An Act for the relief of Lillian Annie Wagner Fahy.
- An Act for the relief of Pauline Jean Stoakley Ramsay Porter.
- An Act for the relief of Allan Graham Bennett.
- An Act for the relief of Chana Paya Trifskin Cupchik.
- An Act for the relief of Victor Edward Drembo.
- An Act for the relief of Doris Silversides Harper.
- An Act for the relief of Lily Claiman Neiss.
- An Act for the relief of Abraham Sztajnhart, otherwise known as Abraham Steinhart.
- An Act for the relief of Elizabeth Hill Silver.
- An Act for the relief of Gaston Bedard.
- An Act for the relief of Mary Tuskewich Gashler.
- An Act for the relief of Muriel Gamache McCrea.
- An Act for the relief of Maitabel Horwitz Johnson.
- An Act for the relief of Laurette Lacombe Paradis.
- An Act for the relief of Claude Christopher Richard Luard.
- An Act for the relief of Joseph Elie Claude Lacelle.
- An Act for the relief of Muriel Audrey Connor McLeod.
- An Act for the relief of Margaret Ragna Erickson Hunt.
- An Act for the relief of Francois Richer LaFleche, otherwise known as Francois Pierre Patrice Joseph Richer LaFleche.
- An Act for the relief of Florence Helen Leslie Redston.
- An Act for the relief of Jeannine Thauvoye Pastuszko.
- An Act for the relief of Ellen Catherine Norma Hogan Liddell.
- An Act for the relief of Abrasha Brainin.
- An Act for the relief of George Henry Eaton.
- An Act for the relief of John Bernard Finucane.
- An Act for the relief of Anne Marie Marguerite Victoria Melchers Harwood.
- An Act for the relief of Estelle Frances Demaio Parr.
- An Act for the relief of Helmut Josef Wagner.
- An Act for the relief of Therese Filion Robert.
- An Act for the relief of Elizabeth Mary Gnaedinger Johnson.
- An Act for the relief of Peggy Mary Trim Bodaly.
- An Act for the relief of Arthur John Chatham.
- An Act for the relief of Margaret Louise Martin Bowden.
- An Act for the relief of Margaret Joan Carol McCurley Decaire.
- An Act for the relief of Jean-Paul Audette.
- An Act for the relief of Donald Edmund O'Neill.
- An Act for the relief of Joseph Robert Gilbert Croteau.
- An Act for the relief of Eve Giasson, otherwise known as Lucien Giasson.
- An Act for the relief of Ingrid Malten Prokopp.
- An Act for the relief of Edward Douglas Taylor.
- An Act for the relief of Jacqueline Waite Chew Keen.
- An Act for the relief of Stanley Smith Wilson.
- An Act for the relief of Marjorie Alice Holdron Thorbergson.
- An Act for the relief of Irene Kluchnyk Shyshko.
- An Act for the relief of Beatrice Lillian Sidaway Mudry.
- An Act for the relief of Bernard George.
- An Act for the relief of Helen Rose Bickerdike Ovenden.
- An Act for the relief of Catherine Violet Mooney Leger.
- An Act for the relief of Laurice Michel Malouf.
- An Act for the relief of Helene Victorine Monseur Sharpe.
- An Act for the relief of Kenneth Franklin Hallas.
- An Act for the relief of Joan Betty Mae Barnard Laframboise.
- An Act for the relief of Lemuel Alvin Henry Ward.
- An Act for the relief of Joseph Raoul Guy Felix Labelle.
- An Act for the relief of Gene Koklyte Gedvila.
- An Act for the relief of Lillian Martin Cyr.
- An Act for the relief of Ange-Aimee Jacqueline Lacoste Paquette.
- An Act for the relief of Francoise Yip Lim Lesage.
- An Act for the relief of Lorna Charlotte Brooks McConnery.
- An Act for the relief of Thomas Jeremie Foulds.
- An Act for the relief of Evelyn Gladys Douglas Fox.
- An Act for the relief of George Johnstone Gray.
- An Act for the relief of William Ross Macdonald.
- An Act for the relief of Marie Therese Ibbotson Collins.
- An Act for the relief of Donna Ruby Stallworthy Black.
- An Act for the relief of Mildred Edith Shaw Boulard.
- An Act for the relief of Shirley Edythe Fairlie Scarff.
- An Act for the relief of Lily Stall Dixon.
- An Act for the relief of Hazel Gladys Rees Webb.
- An Act for the relief of Violet Kert Hausman.
- An Act for the relief of Angelina Szpilakowska Rzasa, otherwise known as Angela Szpilakowska Rzasa.
- An Act for the relief of Ludmila Eremeeff Mazaraky.
- An Act for the relief of Mary Elizabeth Williamson Miller.
- An Act for the relief of Phyllis Shirley Moore Lariviere.
- An Act to amend the Canadian Wheat Board Act.
- An Act respecting The Life Underwriters Association of Canada.
- An Act to incorporate Oblate Fathers of Assumption Province.
- An Act respecting Canadian Pacific Railway Company and certain wholly owned subsidiaries.
- An Act to amend the Quebec Savings Banks Act.
- An Act to amend the Export and Import Permits Act.
- An Act to incorporate Alaska-Yukon Pipelines Ltd.
- An Act respecting Alliance Nationale.
- An Act to incorporate The Kings Mutual Insurance Company.
- An Act respecting Canadian Co-operative Credit Society Limited.
- An Act respecting The Governing Council of The Salvation Army, Canada East, and The Governing Council of The Salvation Army, Canada West.
- An Act for the establishment of a Canada Council for the encouragement of the arts, humanities and social sciences.
- An Act to amend the Canada Shipping Act.
- An Act to amend the Canadian Farm Loan Act.
- An Act to amend the Export Credits Insurance Act.
- An Act to implement a Convention between Canada and the United States of America for the protection, preservation and extension of the sock-eye salmon fisheries in the Fraser River System, signed at Washington on the 26th day of May, 1930, and a Protocol thereto signed at Ottawa on the 28th day of December, 1956.
- An Act to amend the Merchant Seamen Compensation Act.
- An Act to amend the Municipal Grants Act.

Hon. L. René Beaudoin, Speaker of the House of Commons, then addressed the

Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1957.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Monday, April 1, at 3 p.m.

THE SENATE

Monday, April 1, 1957

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

Prayers.

Routine Proceedings.

THE ROYAL ASSENT

NOTICE

The Hon. the Speaker: Honourable senators, I have the honour to inform you that I have received the following message from the Secretary to the Governor General:

GOVERNMENT HOUSE,
Ottawa,
March 29, 1957

Sir,

I have the honour to inform you that the Hon. Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber on Monday, the 1st April, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,

J. F. Delaute,

Secretary to the Governor General
(Administrative).

The Honourable,
The Speaker of the Senate,
Ottawa.

APPROPRIATION BILL NO. 3

FIRST READING

A message was received from the House of Commons with Bill 360, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending 31st March, 1958.

The bill was read the first time.

SECOND READING

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

Hon. W. Ross Macdonald: Honourable senators, I would move that this bill be read a second time now.

This bill is in the form similar to that of interim supply bills passed in previous years. The amounts set forth are intended to provide the necessary requirements for the public service until the end of the present month only. The bill asks for one-twelfth of the total amount set forth in the main estimates for the fiscal year ending March 31, 1958, which have already been tabled in this house.

This bill is unlike other interim supply bills of recent years, in that the one-twelfth applies to all the items. Honourable senators

will recall that in previous years the first interim bill asked for two-twelfths, or even three-twelfths of the total of certain items, on account of the relatively large proportion of the annual expenditure required in some instances at this time of year. In this bill there is no provision for any more than one-twelfth of any item.

Honourable senators, that is all I have to say on this bill, except to give the usual assurance that the passing of the bill will not prejudice the rights and privileges of honourable senators to criticize any item in the estimates when they come to us at a later date. Such rights and privileges will be respected, and will not be curtailed or restricted in any way as a result of the passing of this bill.

Hon. John T. Haig: Honourable senators, I have read the bill and understand it. I noted the point mentioned by the honourable leader that in past years different percentages of various items have sometimes been asked for—one-sixth in one case, one-third in another, one-twelfth in another, and so on. This bill, however, asks for one-twelfth only, the amount required for the month of April. Undoubtedly, if I can read the signs of the times we may expect another supply bill a little later on, perhaps requesting an amount for the next five months.

Hon. Jean-François Pouliot: Honourable senators, this is one of the last opportunities that will be given to us to make a review of what has been done by Parliament during the last four years. If the information is accurate, Parliament will be dissolved in the near future.

Sometimes one has to complain about civil servants; at other times one has the pleasure of complimenting some of them for their competence, efficiency and good work. My contention, honourable senators, is that the duties of the members of both houses are twofold: we have to study legislation that applies to all men, women and children in Canada; and also we have the unquestionable right to control expenditures. This is how members of Parliament and senators as well can express their views about the manner in which some people who are paid with the taxpayers' money do their duties, or do not do them as well as might be expected of them. That is precisely the reason why in my first speech in the Senate I complained about the Canadian Broadcasting Corporation, a Crown company, which has wide powers. The purpose of my complaint was to improve conditions that were then existing; and the reason I complained was that I had heard over the radio a blasphemous poem, or so-called poem. I asked the C.B.C. for a copy of it, and it

took five weeks to get it. The only excuse that was given to me for broadcasting such a stupidity was that the author was a *clochard*—in English, a bum—and I wondered why it was that the so-called poem of a bum should be broadcast over the whole French network of C.B.C.

At the time there was little criticism of it. Some of my friends asked me why I had denounced the C.B.C. from my seat in the house of the Senate. I told them that at first I had written and asked for the text of that broadcast; and whether my letter was written on Senate paper or on my private stationery made no difference, because in my private capacity as a Canadian citizen or in my official capacity as a senator I had the unquestionable right to express my approval or disapproval of any program of the C.B.C. I do not remember, naturally, if my stenographer used paper without a letter-head, paper with my letter-head as a barrister, or paper with my letter-head as a member of this distinguished house, but I wrote that letter because I felt it was my duty to do so; and some friends told me that they were very glad that I had complained about it because if I had not done so they would have.

Honourable senators, because we are members of the Senate, are we to be precluded from exercising the rights that we have as private citizens? This is an important question mark. Then if we are, there is no more control of the vast civil service. That is my first point. I did not write the C.B.C. and I did not complain of it in the Senate for the fun of it; I did it because I thought it was my duty to do it. It is surprising at times how some people who are protagonists of free speech deny the right to others to express their own feelings about certain matters. Free speech should only be for themselves, and it should be for themselves to criticize always the Government. If there is one who will defend the right of anyone to differ from the Government it is in order; but one must oppose the Government continuously to enjoy the freedom of speech that is advocated by some people. This is beyond me. I cannot understand it. But I have discovered an item which appeared in one of my favourite newspapers, the *Halifax Chronicle Herald*, of March 29. I read that the Progressive Conservatives are to plan strategy. Although they have had four years to prepare their program, nothing is done yet. I understand that there was a change in the leadership of the party; nevertheless one year is sufficient time for preparation. Yet, I repeat, nothing has been done; the program is to be laid out at the next weekend, when they will meet

in Ottawa. I wonder whether honourable senators have seen this very interesting news item, contained in a Canadian Press dispatch. It reads as follows:

Ottawa (CP)—The Progressive Conservatives will plan their election campaign strategy at a meeting here early next month, Opposition Leader Diefenbaker announced Thursday.

The party's national campaign committee, comprising representatives from every province, will meet here on April 7-8.

It is expected that the meetings will cover all phases of the general campaign plan, including policy . . .

They have no policy but there is a tremendous issue—the right of anyone who is in politics to offer constructive criticism of any organization. But they want the Liberals to say nothing; they demand freedom of speech only for Conservatives and only to criticize the Government all the time.

I will not refer to what happened in the other house last week but I have mentioned my own experience with regard to the C.B.C. I do not believe that any civil servant should consider himself superior to Parliament. Civil servants should respect our parliamentary institutions. Some years ago at a meeting of the Professional Institute of the Civil Service four of its members used abusive language about the House of Commons Civil Service Committee of which the honourable senator from Huron-Perth (Hon. Mr. Golding) was one of the most distinguished members. I succeeded in obtaining three apologies; that is to say the ministerial heads of three of the departments concerned told the civil servants who were guilty of an impropriety to make apologies. But the minister with whose department the fourth offender was connected informed me that this man could not be required to apologize and therefore—since he was reluctant to tell a civil servant to respect a committee of Parliament—I was unable to make use of the three other letters of apology.

It is unfortunate that some federal employees who are connected with Crown companies believe that they are not civil servants, that they are superior to members of both parties, and are not subject to parliamentary control. This is wrong. I shall have more to say on this matter at the beginning of next session.

I would not conclude without saying a few words about civil servants, ranking as deputy ministers, who do their work so well, and help us to do ours. As charity begins at home, I want to say that the Clerk of the Senate is one of the leading gentlemen in the public service; and I appreciate his help, his courtesy, his competence and his patience.

Hon. Mr. Macdonald: Unanimously agreed.

Hon. Mr. Pouliot: Thank you, sir. While I do not name his assistant, I may recall that last year, during his illness, a special tribute was paid to him, and good wishes were expressed. I am very glad that he made a prompt recovery. He also is doing very well.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Pouliot: Another gentleman whom I know well, and whose services are highly valued by members of the other house, is Mr. Leon J. Raymond, O.B.E.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Pouliot: He was very helpful to me when I was in the other house.

To continue my non-political speech: another civil servant, also a very modest man, but one who, because his representations to the cabinet relate to taxation, plays a bigger role in the affairs of the country than even the Governor of the Bank of Canada, is the deputy head of the Department of Finance. He performs his duties very well.

An old friend of mine, Mr. David Sim, the dean of the deputy ministers, is connected with the Department of National Revenue. In that capacity he does the most painstaking and ungrateful work in the whole business of government, for his is the department which is charged with the collection of direct and indirect taxation. Mr. Sim performs his task with great skill and competence. I am very glad that the minister has recommended the appointment as Assistant Deputy Minister of Mr. R. C. Laberge. He was for some time the minister's private secretary; he knows the department well; and I am sure that he will follow the good example of Mr. Sim. Then there is the able staff of the Income Tax Branch under Mr. McEntyre. I hope that this branch will succeed in getting returns, but not in a painful manner, from the taxpayers.

Then, Mr. Speaker, I come to our mutual friend, the Queen's Printer, Mr. Edmond Cloutier. Incidentally, when I speak of the deputy head of a department or branch I would like to include the whole staff. How many of us realize the importance of the Printing Bureau and appreciate the quantity and quality of the publications it puts out? The printing shops of the largest newspapers in Canada and the United States are not as big or as important as the Printing Bureau of Canada. We do not think of this every morning when we receive our copies of *Hansard*, which we get in both English and French languages at almost the same time. The work is well done and is most satisfactory, so it is not necessary to correct the proofs. Credit for this should be given to Mr. Cloutier, a man of great experience, and to his able staff.

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I come now to a controversial figure who has been my friend for many years. He is a man of progress and I have great respect for him. I refer to Mr. Walter J. Turnbull, Deputy Postmaster General. I have not always agreed with him, as I do not always agree with others, but he is a very able man. When I reported to him as Chairman of the House of Commons Special Committee on the Civil Service he was private secretary to Mr. King. At that time he rendered me great service and since then he has always been a friend.

I congratulate the Postmaster General upon the appointment of Mr. G. A. Boyle, whom I have known as a very efficient civil servant, as Assistant Deputy Postmaster General. Among other things he has helped me considerably in the organization of rural post offices. This is a promotion within the service.

I would also like to mention Dr. Taggart of the Department of Agriculture, and his competent assistant, Mr. S. J. Chagnon.

Then there is Brigadier Carriere, who was with the Department of Public Works. I do not know how many of you have met this gentleman. He is an engineer of great reputation, but unfortunately he left the service to take an important position in a Montreal firm. He has been replaced by Mr. Gerald Millar, the son of a former District Magistrate of Hull. Mr. Millar is highly competent and will continue to help members of the Parliament and others in doing important work. I regret also that Mr. Lessard, who did so well in the Department of Transport, left the public service to do some private work in Montreal. However, he is now the right-hand of Mr. Chevrier in the St. Lawrence Seaway Authority.

There are many others whom I could mention, but I do not want to take too much of the time of this honourable chamber. However, I could not conclude without saying a word of thanks and praise to a great scholar and friend of all of us, Mr. F. A. Hardy, of the Parliamentary Library. Whenever we go to Mr. Hardy for any kind of information we get it without delay. He is most helpful, as is Mr. Sylvestre, who has succeeded Mr. Desrochers. Mr. Desrochers also was a man of great culture. I could continue indefinitely to praise other civil servants who have been honest and helpful to members of Parliament. Sometimes I may have to criticize someone, even one of those gentlemen, for something I find wrong, but I do it in good faith, as it is my duty to do. I deny to anyone—even to those who do not feel as I do about them—I deny their right to prevent me from saying what I have to say about them.

Hon. Mr. Macdonald: Honourable senators, may I make a correction with respect to my opening remarks? I stated that this bill provides for one-twelfth of the amount set forth in the main estimates, and neglected to say that it provides also for one-twelfth of the amount of the supplementary estimates. The honourable Leader of the Opposition (Hon. Mr. Haig) brought this to my attention and I thank him for doing so.

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

THIRD READING

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

Hon. Mr. Macdonald: I move the third reading now.

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

DIVORCE

REPORT OF COMMITTEE

Hon. William H. Golding, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's report No. 353, and moved that, with leave of the Senate, the report be taken into consideration today.

The motion was agreed to.

REPORT ADOPTED

On motion of Hon. Mr. Golding, made with leave, the report was adopted.

BILL—FIRST READING

Hon. Mr. Golding, for Hon. Mr. Roebuck, presented Bill G-14, an Act for the relief of Florence Rhoda Cohen Denbow.

The bill was read the first time.

SECOND READING

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

Hon. Mr. Golding: With leave, I move that the bill be read the second time now.

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

THIRD READING

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

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

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

PRIVATE BILL

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—REFUND OF FEES

Hon. Mr. Golding, for Hon. Mr. Roebuck, moved, with leave of the Senate:

That the parliamentary fees paid upon the Bill (Q-12) intituled: "An Act respecting The Baptist Convention of Ontario and Quebec" be refunded to Mr. M. C. Hooper, Q.C., Toronto, Ontario, solicitor for petitioners, less printing and translation costs.

The motion was agreed to.

FERTILIZERS BILL

COMMITTEE AMENDMENT CONCURRED IN

The Senate proceeded to consideration of the amendment made by the Standing Committee on Natural Resources to Bill R-12, an Act for the regulation and control of agricultural fertilizers.

Hon. Cyrille Vaillancourt, Chairman of the committee, moved that the amendment be concurred in.

Hon. John J. Connolly: Honourable senators, I understand that consideration of this item was postponed from Thursday last until today at the request of the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck). At the close of Thursday's sitting he asked me if I would speak to it on his behalf, because he anticipated that he would not be able to be in Ottawa today. He was concerned about the provisions of section 11 of the bill, which reads as follows:

A certificate of an analyst stating that he has analyzed or examined a substance or a sample submitted to him by an inspector and stating the result of his examination is admissible in evidence in a prosecution for an offence under this act, and is *prima facie* proof of the statement of analysis contained in the certificate.

When the honourable gentleman from Toronto-Trinity asked me to speak to this matter I think he felt that the wording of this section was unsatisfactory from the legal point of view. However, he had not actually studied the problem; and, to be quite frank, neither had I. Since then, however, I have been able to make some study of it, and I hope the explanation I am about to give will be satisfactory to both this house and the honourable gentleman.

The honourable senator from Toronto-Trinity was concerned principally about the use of the words "*prima facie* proof" in section 11. He originally felt those words should be "*prima facie* evidence."

The words "*prima facie* evidence" are used extensively in other federal statutes. They are found in numerous sections of the Criminal Code, in the Bank Act and in the Bills of Exchange Act, as well as in statutes of various provinces. The words "*prima facie* proof" have appeared of late years in various federal

bills. They were used, for example, in the Precious Metals Marking Bill of 1946, but in the Senate the wording was changed to "*prima facie* evidence", and this wording is in the act, Chapter 26 of the statutes of that year. Likewise, I am informed that in 1948 the words "*prima facie* proof" were used in the original draft of the bill to amend the Income Tax Act, and they were changed in the Senate to "*prima facie* evidence". There may have been other instances. This would indicate that up to that time the Senate preferred the language "*prima facie* evidence" to the language "*prima facie* proof".

However, in 1955 Parliament passed the Agricultural Products Standards Act, Chapter 27 of the statutes of that year, and the Meat Inspection Act, Chapter 36 of that year. In both those bills, which were comparable to the bill now before us, the words "*prima facie* proof" were used, and the wording so remains. This, however, is not conclusive evidence that Parliament has accepted the new wording.

There are two problems involved here. One is a theoretical problem as to whether or not "evidence" or "proof" is the proper word. There is a practical problem as well, and it is the one with which we are mainly concerned. It can be stated this way: Will a certificate alone as prescribed or contemplated by this section of the bill, presented by an analyst to a court of law, be sufficient to convict an accused, and be final and conclusive proof to that effect?

I would think the answer to that question is in the negative, but because there has been some discussion about the point I thought it might be better to have the record complete so that honourable senators and other interested persons may be satisfied as to the draftsmanship of this kind of legislation. I have done a little work in some of the legal authorities which I think bear upon the point, and it might be important and helpful to have some of these placed on the record.

Volume 15 *Halsbury*, Third Edition, at page 260 contains the following statement:

... Evidence is the foundation of proof, with which it must not be confounded. Proof is that which leads to a conclusion as to the truth or falsity of alleged facts which are the subject of inquiry. Evidence, if accepted and believed, may result in proof, but it is not necessarily proof of itself.

That, I believe, was the line of thinking on which the honourable senator from Toronto-Trinity based the point he proposed to raise on this section.

A little later, in the same edition at page 278, the author makes a statement with reference to "*prima facie*", "sufficient" and "conclusive" evidence. He says:

Statutes sometimes provide that a fact or document shall be *prima facie* or sufficient or conclusive

evidence of another fact. In this context *prima facie* evidence is evidence which, if accepted by the tribunal, establishes a fact in the absence of acceptable evidence to the contrary. Unless a particular enactment otherwise provides, sufficient evidence usually means *prima facie* evidence, which, if there is no contradictory evidence, may establish a fact.

Then I have a reference to the *Bandbury Peerage* case, 57 E.R., at page 62, which reads as follows:

In every case in which there is *prima facie* evidence of any right existing in any person, the *onus probandi* is always upon the person or party calling such right in question.

I should like also to refer briefly to a discussion of the point contained in the *Canadian Encyclopaedic Digest*, second edition, page 441. It is as follows:

The expression "*prima facie* evidence" or "*prima facie* case" may be used in two different senses. It is sometimes used to represent the stage where the proponent has submitted enough evidence to entitle him to have the question left to the jury. But it is also used, and more frequently, as equivalent to *prima facie* proof, i.e. as representing the stage where the proponent has not merely submitted enough evidence to get past the judge to the jury, but has gone further, and, either by means of a presumption or by a general mass of strong evidence, has entitled himself to a ruling that the opponent should fail if he does nothing more in the way of producing evidence.

So, on that authority, *prima facie* evidence is assimilated in meaning to the words *prima facie* proof.

In addition to looking up the authorities, I inquired of the officials of the Department of Justice, who are responsible for the draftsmanship of this legislation, as to their view of the use of the word "proof" in this section. If I may, I would quote briefly from a letter which I received from Mr. Driedger, the Assistant Deputy Minister, which makes their position quite clear. He says:

A document is either evidence or it is not evidence; that is to say, either it is received in evidence or it is rejected. Having been admitted in evidence, its value or probative force is another matter.

Clause 11 of the bill deals with both evidence and probative value. It says that the certificate is admissible in evidence, and then goes on to state that it is *prima facie* proof. This means that the document must be received by the court, and in the absence of any evidence adduced by the accused, the facts set out in the certificate are taken as proven. The accused could, of course, adduce his own evidence to rebut any of the facts or conclusions in the certificate.

Now, the real practical problem which arises from this set of circumstances is this: Heretofore the courts have been accustomed to interpreting the words "*prima facie* evidence"; and to introduce the new and more modern phrase, "*prima facie* proof", as it has been introduced in the past six, seven or perhaps ten years, might be thought to be confusing to the courts, in that it might

appear to be changing the idea behind the legislation and thus make it more difficult for an accused to present a defence.

Honourable senators, this may sound like legal casuistry, but it is important because I think we here are determined at all times to protect the right of an accused to make an adequate defence. If there is an improvement in the language of the statute, and I submit in this case there is an improvement, we as a legislative body should not resist that improvement.

I would further suggest that the use of the words "*prima facie*" before the word "proof" indicates the right of an accused to come into the court in the face of a certificate and make evidence which would rebut the certificate or the content of it, if in his defence it is desirable to do so. I think the right remains with him, whether the words used are "*prima facie* proof" or "*prima facie* evidence".

Hon. Austin C. Taylor: Honourable senators, I would like to say a few words in connection with this bill. My reason for not speaking on the second reading was that I did not have an opportunity of seeing the bill and comparing it with the provisions of the Fertilizers Act, which was passed in 1922.

This bill was referred to the Standing Committee on Natural Resources. I attended the meeting of the committee, and I do not mind saying that some of the provisions with respect to the administration of the proposed new act alarmed me. Those honourable senators who have had the opportunity and responsibility of administering acts of this kind will recognize the fundamental features that should be spelled out in such legislation. In connection with any act there are other features that change from year to year and should normally and rightfully be dealt with by order in council or by regulation. I have studied this bill, and compared it with the present act, and I think it is an excellent piece of legislation. If passed, it will bring the law up to date. Although I could make some references in connection with the interpretation clause, I do not think it is necessary.

We are all aware of the fact that during recent years newly developed constituent elements have been used in fertilizers, although they cannot be rightfully used under the present act. The bill will give the administrative officials of the department authority to make regulations to deal with this matter. Otherwise they would have to wait a year in order to have the act amended.

The bill proposes certain changes which would improve the penalty clauses that are

in the present act. For instance, upon summary conviction for even a minor technical violation the present act requires that the penalty shall be not more than \$100 for the first offence, and not less than \$100 for a second offence. This bill provides that the penalty shall not exceed \$500, and under that provision I think the administrative heads of the department could recommend—depending on the nature of the offence—that the penalty be as low as \$5, \$10 or \$20. In my opinion that is an improvement.

Not being a lawyer, I am not in a position to discuss the references made by the honourable senator from Ottawa West (Hon. Mr. Connolly).

I would have no fear of the operation of the law if this bill is passed. Having known for a good many years the departmental officials responsible for the carrying out of the provisions of the present act, and having had something to do with the administration of other acts coming under their department, I have no hesitation in saying that this new act will be administered equitably. And as far as the regulations are concerned, I think that they will prove beneficial to everybody.

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I be allowed to add a few words? I think it is the desire of this chamber that a person accused of violating any provision of this act or any regulation made thereunder should have the opportunity of making an adequate defence, and I believe that under section 11 of this bill as drafted he would be entitled to make such a defence.

The motion for concurrence in the amendment was agreed to.

THIRD READING

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

Hon. Mr. Vaillancourt: I move the third reading now.

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

MUNICIPAL GRANTS BILL

NEWSPAPER REPORT—PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators, I rise on a question of privilege. It is about a report in one of the local newspapers arising out of the meeting of the Senate Banking and Commerce Committee when it was studying the Municipal Grants Bill. What happened was that there was a typesetter's transposition. In plain language, what this means is that what was said by the honourable senator from Churchill (Hon. Mr. Crerar) was imputed to me. We complained about the condition of the streets

in the city of Ottawa. The honourable gentleman from Churchill spoke of the dust and he enriched my vocabulary by using the word "grittiest", which is a strong word to use when speaking of the capital city of Canada. What I complained about was the condition of the sidewalks of Ottawa in the wintertime, which is an entirely different condition, for at that time there is no dust at all. I hope the newspaper will make due correction. *Sic vos non vobis*...

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of Joseph Ricardo Bouziane.
An Act for the relief of Grzegorz Niski, otherwise known as Gregory Niski.

An Act for the relief of John Masson Garland.
An Act for the relief of James Frederick Green-grass.

An Act for the relief of Theophila Yanishewski Lazoryk.

An Act for the relief of David Hutcheson MacKay.

An Act for the relief of Karl Heinz Grube.
An Act for the relief of Waltraud Feronika Thorwart Servay.

An Act for the relief of Elizabeth Krawchuk Yovdofchuk Ripchinsky.

An Act for the relief of Gweneth Vernice Blackman Waterman.

An Act respecting The Western Assurance Company.

An Act respecting The British America Assurance Company.

An Act to incorporate The North Waterloo Farmers Mutual Insurance Company.

An Act respecting Equitable Fire Insurance Company of Canada.

An Act respecting The Bishop of the Arctic.

An Act respecting Les Révérends Pères Oblats de l'Immaculée Conception de Marie.

Hon. L. René Beaudoin, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, April 2, 1957

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

Prayers.

Routine proceedings.

DIVORCE

REPORTS OF COMMITTEE

Hon. John J. Kinley, Acting Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 354 and 355, and moved that, with leave of the Senate, the reports be taken into consideration today.

The motion was agreed to.

REPORTS ADOPTED

On motion of Hon. Mr. Kinley, made with leave, the reports were adopted.

STATISTICS—REPORT OF COMMITTEE

Hon. William H. Golding: Honourable senators, on behalf of the Chairman of the Standing Committee on Divorce (Hon. Mr. Roebuck), I present the committee's 356th report.

For the present session of Parliament 441 petitions for bills of Divorce were presented to the Senate and dealt with by the Standing Committee on Divorce, as follows:

Petitions heard and recommended	341
Petitions heard and rejected	3
Petitions withdrawn	6
Petitions not disposed of	91
<hr/>	
Total	441

Of the petitions recommended 336 were from petitioners domiciled in the province of Quebec and 5 were from petitioners domiciled in the province of Newfoundland.

Of the petitions heard 8 were opposed at the hearing.

Of the 336 petitioners domiciled in the province of Quebec 105 were husbands and 231 were wives.

The committee met on 38 days and held a total of 96 meetings of subcommittees. On 1 day the committee functioned in 4 sections. On 27 days the committee functioned in 3 sections. On 5 days the committee functioned in 2 sections. On 5 days the committee functioned in 1 section.

In 9 cases the committee recommended that part of the Parliamentary fees be remitted.

The fees paid to Parliament for bills of divorce heard and recommended during the 1957 session amounted to \$70,545.

Assuming that all bills of divorce recommended by the committee, now in various stages before Parliament, receive the Royal Assent, the comparison of dissolutions of marriage granted by Parliament in the last ten sessions is as follows:

1949 1st session	184
1949 2nd session	166
1950	240
1951	294
1952	312
1952-53	282
1953-54	378
1955	402
1956	356
1957	341

Statistics covering the number of divorces granted in Canada during the years 1952 to 1956, both inclusive, (1957 for Quebec and Newfoundland), are as follows:

	1952	1953	1954	1955	1956	(1957)
Canada	5,634	6,110	5,922	6,031	5,890	
Newfoundland ..	3	9	8	1	5	5
Prince Edward Island	9	15	8	7	1	
Nova Scotia ...	188	185	249	253	230	
New Brunswick ..	200	181	117	181	215	
Quebec	309	273	370	401	351	336
Ontario	2,202	2,774	2,468	2,509	2,366	
Manitoba	338	374	371	337	314	
Saskatchewan ..	223	218	250	237	221	
Alberta	630	603	610	627	685	
British Columbia ...	1,532	1,478	1,471	1,483	1,502	

The following statement shows a comparison between the number of divorces granted to husbands and wives respectively in the years mentioned.

	Husbands	Wives
1952	2,218	3,416
1953	2,421	3,689
1954	2,337	3,585
1955	2,357	3,674
1956	2,279	3,611

Hon. Mr. Davies: May I ask the honourable senator if the Divorce Committee expects to complete the hearing of the present petitions before this session of Parliament is prorogued?

Hon. Mr. Golding: In answer to the honourable senator's question, I may say that the committee closed its work today. Petitions that have not been dealt with will have to remain over until next session.

Hon. W. Ross Macdonald: Honourable senators, I would like to take this opportunity of thanking the members of this committee for the faithfulness that they have shown to their task. It has been an onerous task this year, as in previous years. The number of meetings of the main committee and of the smaller committees demonstrates the fact that many senators are sitting daily either on committee work or in this chamber throughout the length of the session. The work of the Divorce Committee is not the most pleasing work and is not the type of work which senators enjoy doing, but it is a task which is given to us; and as long as the divorce laws remain as they are, and as long as the Constitution of Canada remains as it is, that duty will devolve upon senators. I am grateful personally, and I know the Senate and the country are grateful, to the members of the Divorce Committee for the work they have done, and I thank them deeply.

Hon. Senators: Hear, hear.

Hon. John J. Kinley: Honourable senators, as Acting Chairman of the Standing Committee on Divorce I thank the honourable leader very much for his remarks on the committee's work. It is very regrettable that the chairman (Hon. Mr. Roebuck), after very strenuous service during the session, collapsed

over the weekend near his home and is now in hospital. We are very glad to hear that he is much better and that his doctors assure him that after a rest he will be in good shape again.

Hon. Mr. Macdonald: Good.

Hon. Senators: Hear, hear.

Hon. Muriel McO. Fergusson: Honourable senators who are not members of the Divorce Committee may not understand the reason why there are still 91 petitions undisposed of. It is not the fault of the committee that these cases have not been heard. The fact is that they are not ready for presentation to the committee, for one reason or another—for instance, lack of compliance with requirements as to advertising, or as to service upon the parties, and so on. I thought that should be made clear to honourable senators who are not members of the committee.

CANADA'S FOREIGN POLICY

NOTICE OF RESOLUTION OF APPROVAL

On the notice of motion by Hon. Mr. Croll:

That this house approve Canada's foreign policy, with particular reference to its policies with respect to the Middle East, Hungary and aid to underdeveloped countries.

Hon. Mr. Croll: Honourable senators, I rise, not to speak on the motion, but rather to ask senatorial indulgence. I have delayed action in this matter from time to time because there has been considerable interest in the motion, which deals with foreign policy, and is of the greatest importance. I felt that we ought to have the advantage of the very best information on the subject. Beyond doubt the highest authority on foreign policy in this country and the man best qualified, on all counts, to deal with it, is the Secretary of State for External Affairs.

Rule 18A of the Senate reads as follows:

When a bill or other matter relating to any subject administered by a department of the Government of Canada has originated in and is being considered by the Senate or in Committee of the Whole, a minister representing the department, not being a member of the Senate, may enter the Senate chamber, and, subject to the Rules, Orders, Forms of Proceedings, and usages of the Senate, take part in the debate.

It is quite possible that the minister will be available tomorrow; if he is not, it is probable that he will not be available at all. I have asked the honourable Leader of the Government (Hon. Mr. Macdonald) to try to make the necessary arrangements for his appearance tomorrow. I ask that the motion stand until then.

Hon. John T. Haig: Honourable senators, may I say a word or two on the point of order which is involved? I was a member of

this chamber when Rule 18A was passed. Nothing I have to say affects my opinion of the ability, the character or the experience of the Secretary of State for External Affairs, but as a senator I cannot admit that he should be allowed to come into this house and discuss a resolution. He can come here only as any other member of the Government can, to deal with legislation relating to his own department. If honourable senators will read the rule and recall what action we have taken under it from time to time, they will agree with me that on the four or five occasions that a minister has addressed us here he was dealing with a bill introduced in the House of Commons and affecting his own department. He has been permitted to come here to make an address, and that was the end of it. He was neither cross-examined nor questioned. I understand the desire of the honourable senator from Toronto-Spadina (Hon. Mr. Croll) to have the Secretary of State for External Affairs attend and speak to this house, and through this house, to the country. I suggest, however, as a course to which there could be no objection, that this resolution be referred to the Committee on External Affairs, before whom the minister could properly appear and speak upon it. When we have wished to do so, we have invited people from this and other parts of the world to address our members in committees. But I shall protest, even though I am supported by no other honourable senator, to the proposal which is now before us. I do so not on any personal grounds, but because I am most anxious and concerned that the high standards embodied in the rules of the Senate shall be preserved in the interests of its members.

I say quite candidly that I have never been in favour of the rule permitting a minister to take part in debate in the Senate chamber. However, whenever the matter has been raised I have been in a minority and on each occasion the provisions of the rule have been carried out. I admit there has been very little objection to the procedure, for the ministers who have come here have dealt with legislation affecting their own departments. However, I for one cannot agree to allow any minister or other individual from the House of Commons to discuss on the floor of this house a subject that is of general interest to the whole Government and not to any one department. I say that as senators we should not permit it, and I for one will object to such action being taken.

Hon. W. Ross Macdonald: Honourable senators, the honourable gentleman from Toronto-Spadina has requested that I invite the Secretary of State for External Affairs

to come to the Senate tomorrow to discuss the resolution that stands in the honourable senator's name. As I read Rule 18A of the Senate, I must pass that invitation on. The honourable Leader of the Opposition (Hon. Mr. Haig) has referred to what has taken place in the past. I have looked up the record and I can report that on every occasion when a minister has come to the Senate it was for the purpose of explaining a bill on motion for second reading. The record shows that there have been five such occasions. The dates of those occasions, and the ministers who came over here, were as follows: March 16, 1948, and March 28, 1949, the Honourable Lionel Chevrier, then Minister of Transport; November 8, 1949, the Honourable Brooke Claxton, then Minister of National Defence; May 13, 1952, the Honourable Stuart Garson, Minister of Justice; and June 17, 1952, our colleague the Honourable Gordon Bradley, who at that time was Secretary of State.

Rule 18A reads:

When a bill or other matter relating to any subject administered by a department of the Government of Canada has originated in and is being considered by the Senate or in Committee of the Whole, a minister representing the department, not being a member of the Senate, may enter the Senate chamber, and, subject to the Rules, Orders, Forms of Proceedings, and usages of the Senate, take part in the debate.

The subject-matter to be discussed tomorrow is a motion in the following words:

That this house approve Canada's foreign policy, with particular reference to its policies with respect to the Middle East, Hungary and aid to underdeveloped countries.

Those matters are administered by the Department of External Affairs, of which the Honourable Mr. Pearson is the minister. I therefore feel that it is quite in order to ask him to come to this chamber in accordance with the provisions of Rule 18A.

The honourable leader opposite has referred to the high standard of debate which has been maintained in this chamber in the past. Surely the Secretary of State for External Affairs, should he come here tomorrow, would not lower that standard. I am sure that anything he would say or any speech he would deliver would be up to the high standard of speeches delivered in this chamber by honourable members and by ministers who have come here on invitation in the past. There is no obligation on any minister to come. It is for the Secretary of State for External Affairs to determine whether he will accept the invitation, but under this rule I feel I should pass it along, as I have been requested to do by the honourable senator from Toronto-Spadina.

Hon. Mr. Lambert: Honourable senators, may I be permitted to ask the honourable

Leader of the Government two questions? The motion of the honourable senator from Toronto-Spadina first appeared on our Order Paper on March 19. I am wondering whether the Secretary of State for External Affairs has been acquainted for more than two days with the view expressed in this motion. It is rather difficult for me to understand why the matter has been left to be decided by the house until this date.

My second question is whether, on previous occasions when ministers have come into this chamber to explain legislation, the desirability of having them come here was debated in this house beforehand, or was the Leader of the Government in the Senate responsible for their presence here?

Hon. Mr. Macdonald: Honourable senators, whether the contents of this motion have been brought to the attention of the Secretary of State for External Affairs, I cannot say. I presume that at least the officials of his department read the *Minutes of the Proceedings* of the Senate and would be aware that the notice of motion is on the Order Paper.

As to whether on previous occasions the suggestion to invite a Government minister to the house was made at the initiation of the Leader of the Government in the Senate, I cannot say, for I have not the copies of *Hansard* before me. However, from my reading of the rule I cannot find that that is necessary.

Hon. Mr. Haig: Would the honourable Leader of the Government not have to make a motion that the Secretary of State for External Affairs be invited here? There is no rule that I am aware of that empowers the Leader of the Government here to invite anybody to address this chamber. I should think the honourable leader would have to move that the house invite the minister. The matter would then be debatable and honourable senators could vote against it if they wished to.

Hon. Mr. Macdonald: I am sure that on previous occasions no motion to that effect was made.

Hon. Mr. Haig: I can tell you what happened.

Hon. Mr. Macdonald: I know there has not been any such motion. Whether there was any objection at any time,—

Hon. Mr. Haig: No, there was no objection.

Hon. Mr. Macdonald:—I cannot say. I have not read *Hansard* to that extent, but I did go into the matter sufficiently to ascertain the instances on which departmental ministers have been invited here.

Hon. Cairine R. Wilson: Honourable senators, if my memory is correct, a number of years ago complaints were made that the Senate had not enough work to do, and it was proposed at the final stage of one session that arrangements be made at the next session to have ministers of Government departments explain legislation in this house. I understand that Mr. Chevrier was the first minister to do so, and I am pretty sure this matter was discussed in the chamber before he came here.

Hon. Mr. Macdonald: The honourable senator from Rockcliffe (Hon. Mrs. Wilson) is correct. It was discussed in the Senate before an invitation was made, but there was no motion.

Hon. Norman P. Lambert: Honourable senators, may I speak to this matter for a few moments? Before doing so, I wish to express my great respect for the desire of the honourable senator from Toronto-Spadina, who gave notice of the motion. I think it should be remembered that in 1948, as a result of the suggestion of the late Prime Minister Mackenzie King, a committee of this house was set up for the purpose of conferring with him about certain measures that might improve the usefulness of the Senate. I believe the honourable senator from Vancouver South (Hon. Mr. Farris), who is not present today, was chairman of the committee. After the conference with Mr. King the committee reported back to the Senate very definitely that the only suggestion it considered to be feasible at that time was that the rules be changed to provide that a minister from the other house should come here when invited to do so and present or explain bills in which he was interested. I think that is a fair statement of the background.

I am quite certain also, certainly to the best of my recollection, that the initiative in the instances that have already been cited was taken by the honourable leader at that time (Hon. Mr. Robertson), who is now the Speaker of this house. I remember very well when the Honourable Brooke Claxton came here, and the Honourable Lionel Chevrier, and others. There certainly was very little discussion about it. I think the responsibility for having them come here to explain certain bills was taken by the leader.

With particular respect to this resolution, I know it is a compliment to the Senate to have a minister come here, but I do not think it is complimentary to the Secretary of State for External Affairs that he be brought here at this late date in the session when a large number of our members who would be interested and glad to engage in a debate on foreign affairs in this house have gone home. And with all due respect to the rest of us

who are here, I feel that it is not fair to the minister to ask him to come here and speak to the Senate on Canada's foreign policy, when we have not had a debate on the subject in this house or any discussion in our External Relations Committee. The Committee on External Relations is one of the standing committees of this house. On numerous occasions many of its members have been actively engaged in the field of external affairs and would have benefited from a discussion with the minister or with some members of his department who had been at NATO or United Nations meetings. I recall very well that at the time of the adoption of the United Nations charter we had several meetings of our External Relations Committee, at which the minister and the deputy minister explained at some length the results of the meeting in San Francisco which launched the United Nations. Those discussions resulted in debates in this house afterwards. I think the Senate was able to contribute fairly effectively to representations that were made afterwards at the United Nations in New York, and elsewhere.

Honourable senators, I feel that this subject could have been much more usefully presented if we had had some opportunity to crystallize in our minds opinions bearing upon important phases of our foreign policy. We would have had such an opportunity if the Committee on External Relations had discussed the subject with the minister.

I feel that I must say—and I say it without prejudice of any kind—that I have agreed personally in every particular with the position which the Secretary of State for External Affairs has taken in relation to the crisis in the Near East. I think his position on behalf of Canada, as expressed at New York, and elsewhere, was the only one that could possibly have been taken; but that is another matter.

Honourable senators, I should very much like us to have had an opportunity to explore this subject earlier in the session, when there was lots of time to do so. This notice of motion has been on the order paper since March 19, and there has been no intimation whatever that it would be discussed. Days have gone by, and I have heard of no suggestion that the Secretary of State for External Affairs would be asked to come here or wanted to come. In the circumstances, I personally would like to have this matter deferred until there is a better opportunity for discussion.

Hon. W. D. Euler: Honourable senators, a thought has just occurred to me, and I shall express it with all respects and courtesy to

the Leader of the Government (Hon. Mr. Macdonald). Apparently the rule which he quoted says that the minister may come here. Exactly what does that mean? Upon whose initiative would the minister come? Could he come even without an invitation? And if an invitation is necessary, is it within the power of the leader or of any other member to extend the invitation? With all respect to the leader, it seems to me that the Senate itself should have something to say as to whether a minister comes here or not. I should like to know if there is any rule on that point.

Hon. Mr. Macdonald: The rule is not clear to the effect that an invitation has to be tendered to a minister. In fact, the way I read the rule, a minister can come here without an invitation. This is what the rule says:

When a bill or other matter relating to any subject administered by a department of the Government of Canada has originated in and is being considered by the Senate or in Committee of the Whole, a minister representing the Department, not being a member of the Senate, may enter the Senate chamber, . . .

Hon. Mr. Euler: He can come without being asked?

Hon. Mr. Macdonald: He can come without being asked, according to my understanding of the rule.

The Hon. the Speaker: Honourable senators, is it your pleasure that the motion of the Honourable Senator Croll stand until tomorrow?

Hon. Senators: Agreed.

The Hon. the Speaker: The motion stands.

UNIVERSITIES

PROPOSED FREE TIME ON C.B.C. FOR WEEKLY TELECAST—MOTION WITHDRAWN

The Senate resumed from Wednesday, March 27, the adjourned debate on the motion of Hon. Mr. Pouliot, seconded by Hon. Mrs. Jodoin:

That, in the opinion of this House, the Canadian Broadcasting Corporation should each week grant a thirty minute free time for TV broadcasting to the Canadian Universities.

Hon. David A. Croll: Honourable senators before I commence my speech I should like to make a confession. On various occasions I have written to the Canadian Broadcasting Corporation, usually to complain about something or other.

Hon. Mr. Haig: You will be on the list.

Hon. Mr. Croll: My only regret is that I did not write often enough to compliment it

upon the excellent work which it has done. By any standard, it has been good, very good. The C.B.C. may not be able to match the American spectaculars, but, day in and day out, it is as good as any American network. Anyway, we in this country like it the C.B.C. way.

Honourable senators, I have a few statistics on the number of stations and television sets in use in various countries. The figures are as follows:

Country	TV Stations	Sets in Use
United States	489	38,500,000
Great Britain	17	6,139,773
Canada	35	2,200,000
U.S.S.R.	14	1,300,000
West Germany	31	538,899
France	8	382,435

The report by the Royal Commission on Broadcasting, known as the Fowler report, which has just been issued, becomes very timely. First, it re-endorses the publicly-owned C.B.C., and indicates that it is here to stay. It has given the corporation a clear bill of health. It was highly commended; it came off well.

In the course of the Fowler report it indicates that the only means of retaining the Canadian national identity in the face of a tidal wave of American programs is through the C.B.C. Only C.B.C., as it is now operated, can preserve a purely Canadian culture. It will be costly, but to date it has been worth whatever we have paid. We must provide additional money so that long-term plans can be made for its future development. The commission made it eminently clear that the C.B.C. need no longer live from hand to mouth.

The findings of the Fowler Commission become very important in the light of constant and unfair attacks on the C.B.C. by private stations. The private stations, in turn, got the back of the hand from the commission; they got a real roasting and came off very badly. The Canadian Association of Radio and Television Broadcasters was publicly rebuked for the overall poor job it had done to date, and in particular for bucking the C.B.C., for publishing one-sided and misleading information on the true nature and functions of the present system.

The Fowler Commission had something else to say that should be kept in mind. They said that a licence, a disc jockey and a cash register are not a radio station. It is about time such a statement was made. I hope it will be kept in mind when television stations are being allocated. The commission, in fact, told the private operators to pull up their socks or they soon won't have any socks. No portion of the report gives the private operators any comfort or illusions. In one portion of the report they were said to be giving

programs of "stupefying mediocrity". Those are the words that the commission attached to the private broadcasters, not the C.B.C.

Hon. Mr. Euler: Does my honourable friend also quote from the report when he says that the private station operators must pull up their socks?

Hon. Mr. Croll: No, that was my own expression. I thought it was apt, and I am glad my honourable friend's attention was attracted by it.

Hon. Mr. Euler: I was just wondering whether the commission in its report had used that expression.

Hon. Mr. Croll: The commission had much less kind words to say about the private broadcasters.

The report recommends that there be more French language stations. Such a recommendation is long overdue. This is a bilingual country. By that I do not mean that Quebec is bilingual, but that all parts of the country are bilingual. I must confess my own inadequacy in being unable to fully understand or speak the French language. I was not able to participate in the debate in this house last Wednesday because I did not completely understand what had been said by the two preceding speakers who spoke in French. That is my shortcoming. There is perhaps too little that can be done for my generation, but I think we should do everything in our power to better equip the next generation for true bilingualism, which is essential to true Canadianism. Those who have facility in the use of both languages are better equipped to go into the world of tomorrow and to reach better understandings with people. French is a universal language, and anyone having the facility to speak and understand English and French is well equipped for tomorrow. Our people can best acquire that ability at an early age. All our children should learn both languages from infancy. Television and radio will bring both languages into our homes.

The Fowler Commission points out that the C.B.C. was too busy to regulate private stations, and when it did regulate them it leaned over backwards and showed great reluctance to regulate. The report recommends the appointment of a regulatory body. With the implementation of that recommendation we will have professional regulators whose job it will be to regulate. Indeed, they will regulate morning, noon and night. I can already hear the screams of the private stations, even before regulators begin their work of regulating.

At the present time churches of all denominations obtain both radio and television time, and they make very good use of it. Public service bodies also obtain time on the air,

and they too make good use of it. The time has now come when universities should be introduced to all of Canada through the medium of some free time, both on television and radio.

I support the motion of the honourable senator from De la Durantaye (Hon. Mr. Pouliot), because it offers a worth-while opportunity to the universities. They will make good use of whatever time they are permitted to use. It was indicated that the motion in its present terms would not be most acceptable. I support the purpose of the motion, in whatever terms it is phrased.

Some Hon. Senators: Hear, hear.

Hon. Mr. Pouliot: Honourable senators,—

The Hon. the Speaker: Honourable senators, if the honourable member from De la Durantaye (Hon. Mr. Pouliot) speaks now, he will close the debate.

Hon. Mr. Pouliot:—I thank the honourable senator from Toronto-Spadina (Hon. Mr. Croll) for his support of this motion. The purpose of the motion is obvious.

I would not speak today if my honourable friend the Deputy Leader of the Government in this house (Hon. Mr. Vaillancourt) had not spoken as follows:

I am happy to see that our distinguished colleague seems to have changed his mind, since he now approves the steps we have taken.

He probably referred to what I had said about the Canada Council. I have not changed my mind at all as to what I said on February 27 about the Canada Council, but now conditions are different. That bill has been passed by both houses of Parliament, it has received the royal sanction, and we have to see what we can do with it now that it is an accomplished fact. Considering legislation in progress before either house is very different from considering the effect of the legislation after it has been passed and sanctioned. That is why I will say what was in my mind when I sponsored this motion.

In the first place, the universities do not always show a great deal of imagination, and suggestions often have to be made to some of them—I do not speak of all universities, I speak of the average—about some things to be done. In this case my suggestion would be that for about a year the universities do TV broadcasting. TV is a medium which is used today by millions of people. If we multiply the number of sets by five people, it means that in this country there are at least, I would say, eight or ten million people who look at television programs. It is undoubtedly the best medium for informing the Canadian people about what is being done or accomplished by Canadian universities. In the first place, I should suggest

that the first TV broadcast time should be given to the universities themselves—I mean to the council of each university—to inform the Canadian people about the financial condition of each university. From the time when Dr. Cyril James of McGill University made his first lament about the need for money, we have not been informed at all about the financial status of the universities. That information would be most interesting. Universities appeal to the Canadian people for funds, for support of their drives in favour of the Alma Mater, etc. Those drives may serve a very useful purpose, but the Canadian people will be more generous if they know what use is made of money contributed by the Government of Canada, by the provincial Governments, by corporations and by private individuals.

Naturally, the wisest men of long ago did not live in mansions or castles. Socrates lived in a cave. He was a wise man and a great philosopher. Diogenes lived a very practical life; he lived in a barrel, and he carried a light in his hand to help him in his search for another man equal to himself. But today conditions are different, and I wonder if the expenditures on immense and expensive buildings for the universities are wise or not. I am not passing judgment; I just put the question.

And then, I am not satisfied to live in a cloud of mystery. That mystery should disappear. The universities should be frank with the Canadian people. They should tell us the size of their endowments and the amount of their revenues, and what use they make of subsidies and donations, public and private. It is only fair that that information be made known, in the interests of the universities themselves, of the Governments concerned, of the Canadian people and of the students. So I suggest that the first broadcast over the C.B.C. should be granted by the corporation to the universities free of charge, by way of a distribution of television time over a period of approximately six months. But in view of what has been stated indirectly by the honourable Leader of the Government (Hon. Mr. Macdonald) concerning the Arts Council, I would say that, although my motion was justified before the Canada Council Bill received royal sanction, the council, which has been richly endowed, should pay for broadcasts by the universities to explain their position to the public and to the taxpayers, who are much interested in knowing what use has been made of Government subsidies to the universities, as well as of private subscriptions.

This, honourable senators, covers the first part of my argument. I withdraw that part of the motion which concerns the programs to be followed by the universities themselves

in the first six months. There are 21 Canadian universities. However, the Canada Council is rich; it can afford to pay; and there is no reason why more time should not be provided for university spokesmen if they ask for it. I am glad that our distinguished colleague from Inkerman (Hon. Mr. Hugessen) has come in. A moment ago I spoke of Dr. Cyril James's lament concerning lack of funds. He was the first to raise his voice in this matter.

The second part of my argument concerns television broadcasts by the students themselves, to enable the Canadian people to realize what kind of education is being provided by the universities. It should be open to boy and girl students to discuss matters which are in the public mind. The first broadcast should be by way of a forum on the topic of the importance of spiritual values in public and private life. Then the Canadian people will see not only what kind of factual education is provided, but what character-forming material is given to youths in the Canadian universities. This is the first point, and a very important one. I know the youth of our country. I like them; I have respect for them. I find that they are as good as if not better than Canada's youth of any previous generation, because nowadays students have more opportunities to make fools of themselves, and when these are resisted it shows that they are not only receiving a good education but that they have a good "formation". Although today, perhaps, education is less solid than it was in former years, its scope is wider, and young men and girls today are able to discuss astonishingly well and intelligently problems of importance and interest concerning the future of this country. So, I repeat, the first television broadcast by Canadian university students should deal with spiritual values; and it should be open to students of various religious denominations, because spiritual values exist in them all. By this means Canadian people would be able to judge of the progress made by our youth.

The second broadcast should be about citizenship. In any country an individual is born a citizen before being christened and becoming a member of any religion. So, next to spiritual values there are natural values that count; and it will be most interesting to have a television forum of students discussing Canadian citizenship. In this country we have a double citizenship. We are British subjects as well as being Canadian citizens, since the adoption of the law of citizenship. Would it not be interesting to have a forum of young men and women discussing whether we should have only one citizenship or two? I do not express any personal opinion. I put the question and I would like to have it answered both ways by intelligent young people of this

country. There are many other subjects that should be considered with personal conviction and tolerance. These may seem to disagree but they really do not, for although one has personal convictions he should show tolerance for the views of others. This again is a vast subject of tremendous interest to this country, where two official languages are spoken and where we meet so many new Canadians who have made Canada their own country.

Who is a good Canadian citizen? I said on numerous occasions in the House of Commons that it is not necessary for a person to be born in Canada to be a true Canadian. A true Canadian is a man or woman who, having been born anywhere, has made Canada his or her own country, a country he or she likes better than any other in the world. It is not exclusive, of course. We may love other countries, but our first love should be given to Canada. This is another matter that should be considered, and it would be most interesting to have young men and women who receive their formation in Canadian universities to give their opinion about this very problem which concerns the present and future unity of this country.

There are many other subjects that could be dealt with. We are not eternal. I am glad to belong to this fine association of distinguished men and women who are called the Senate of Canada, but we cannot expect to live for ever. Others will take our places, and it is precisely those who will come after us who must inform us about their own personal views. All those broadcasts should be free from intervention. Young people should not have their speeches prepared by others. They can make their own speeches and hold their own places in a forum. It would be more interesting to know from them what they think about so many national issues. They could discuss trade matters or Canada's relations with other countries. The standing of Canada among the world's nations has never been so high as it is now. The honourable senator from Banff (Hon. Mr. Cameron) told us that when he went to the Antipodes he met people from all over the world who told him how highly Canada is regarded so far away from home. We owe that standing to somebody. We owe it to the present Government, to the fairness of the members of the Government and that of their supporters, and also to the fairness of the Opposition, as I judge by the stand taken by our colleagues who form the Opposition in this chamber.

All these matters deserve to be discussed, not in camera but openly and publicly, so that we may know the opinion of our youth.

There is nothing more interesting than to talk seriously with young university students. It is illuminating, and very often we hear more from them than from their professors. That is something.

What progress has the idea of sovereignty made in the minds of young Canadians? This is a great question mark. We will realize this one day when we have a national emblem to represent Canada throughout the whole world, a national emblem that will be enthusiastically accepted by all without hesitation. It will be placed in our churches as well as in public squares and on public buildings and private homes. It will represent Canada itself amongst all the nations of the world.

I remember with emotion the splendid speech made by our honourable colleague from De Lanaudiere (Hon. Mr. Fournier) last session about the very same matter. The idea goes on. I am not against the Union Jack at all. I have taken an oath of allegiance to our sovereign and I stand by it. Honourable senators, as I have said in many parts of this country, in the province of Ontario as well as in the province of Quebec, if we are to have the Union Jack then let us have it full-sized, not a minimized Union Jack in the upper left corner of the red ensign. Let us have it full-sized, with the crosses of the three patron saints of the United Kingdom: the Cross of St. Patrick for Ireland, the Cross of St. Andrew for Scotland, and the Cross of St. George for England. It is a beautiful flag. But let us not forget that in this honourable chamber the late King George VI spoke of his realm of Canada. He was King of the United Kingdom, on the one hand, and of Canada, on the other hand, as Henry the Fourth was King of France, on the one hand, and of Navarre, on the other hand. I am ready, I am satisfied, to have to keep the Union Jack, full-sized, as a sign of colonialism. But I do not want to see the red ensign, for another reason, and a very good one. In the red ensign the Union Jack is minimized. Also, honourable senators, how can you see the emblems that are on the red ensign that flies from the tower of this building? No person can see them. There are lions six inches long. How can you see them 350 feet in the air? How can you see lions that look like squirrels? And how can you see the harp? It is most ridiculous.

At the next session I will ask for a complete description of all the emblems that are engraved on the letter-head of the Senate stationery. The lions, the harp, the maple leaves, are so small that they are like tiny

dots. And there are supposed to be two flags, one flying toward the east, and the other toward the west. Apparently the wind is blowing in two directions. It reminds me of a drawing that I made when I was a little boy, of a ship with two flags. One flag was on one side, the other was on the other side. My uncle said to me, "When the wind blows it always blows on the same side." But if one looks at the emblems on the stationery that we have in our desks he will see that I do not exaggerate—they are very small, and one flag points west, while the other points east. "East is east, and west is west, and never the twain shall meet." Honourable senators, I am only quoting Kipling. I have expressed no personal opinion about it; I am making suggestions.

Hon. Mr. Euler: Honourable senators, may I ask my friend a question. It may be that I misunderstood him. Did he say that he is in favour of a full-sized Union Jack as an emblem of colonialism?

Hon. Mr. Pouliot: Yes. I will explain that to my honourable friend, and he will understand me.

Hon. Mr. Macdonald: I do not want to interrupt the honourable gentleman, but there is a motion before the house proposing that free time for TV broadcasting be granted to the universities. I cannot see how this debate has anything to do with the motion. Also, no one here has an opportunity of speaking on the subject the honourable gentleman is discussing.

The Hon. the Speaker: Honourable senators, the rules of the Senate are pretty elastic, but I think the honourable leader's point is well taken. Perhaps my honourable friend will confine himself more strictly to the subject under debate at this time.

Hon. Mr. Macdonald: I thought he might answer the question of the honourable senator from Waterloo (Hon. Mr. Euler).

Hon. Mr. Pouliot: Honourable senators, I was not expressing my opinion, I was making suggestions as if to a forum of students having a discussion. To show my spirit of conciliation, I will ask honourable senators for permission to withdraw my motion.

The Hon. the Speaker: Has the honourable senator the consent of the house to withdraw the motion?

Hon. Senators: Agreed.

Hon. Mr. Pouliot: The motion being withdrawn, I cannot answer my honourable friend.

BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY BILL

SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill F-14, an Act to amend an Act respecting the Buffalo and Fort Erie Public Bridge Company.

He said: Honourable senators, this bill relates to the Peace Bridge between Fort Erie in Ontario, and Buffalo in the United States. Many of us have crossed it from time to time when going to or coming from the United States. The building of the bridge was conceived in about the year 1914, by prominent citizens in both Canada and the United States, and the suggestion was that a bridge should be built across the Niagara River at these two points to commemorate a century of peace between the two countries. The organization for the setting up of the company and raising the necessary money was commenced prior to World War I, but was interrupted by the war, and the work in preparation for this great project was discontinued for a number of years. However, shortly after World War I representatives from the district of Buffalo in the United States and the district of Fort Erie and Niagara in Canada set out to incorporate a company known as the Buffalo and Fort Erie Public Bridge Company, with a capital stock of about \$3 million. These people, working on both sides of the river, then proceeded to have legislation passed enabling them to set up the necessary organization to proceed with the work. In 1922 a bill was passed by the Legislature of New York State setting up this company under the laws of that state. A similar bill was passed by the Parliament of Canada in 1923. In 1924 the United States Congress approved the construction of the bridge by the passage of Public Law No. 177.

The act passed by New York State in 1922 and the Canadian statute passed in 1923 authorized the incorporation of similar companies of the same name with power in each enactment to unite the two statutory companies into one company under the same name. Accordingly, the company subsequently united under these respective acts and proceeded to the construction of the bridge.

I may say, honourable senators, that this enterprise is an example of what can be done by two neighbouring countries which work in friendly co-operation.

To finance the construction of the undertaking the directors subscribed to \$50,000 of capital stock. I would ask honourable senators to note particularly that they subscribed up to \$50,000 of capital stock with the limitation that it should be retired at par, and

that while it was outstanding it should receive a rate of interest no higher than 7 per cent. There was no promoter's stock in connection with this company or the building of the bridge.

The public subscribed for approximately \$5 million worth of bonds, of which \$3,500,000 were 7 per cent first mortgage bonds, and \$1,500,000 were 8 per cent debenture bonds. While these rates seem high today, they were the prevailing rates at that time.

The first plans submitted were for a low-level bridge, but after negotiations with the United States it was decided to build a high-level bridge. Construction of the bridge was begun in 1925 and completed on June 2, 1927. The bridge was dedicated on August 8, 1927 by distinguished persons from Canada, the United States and the United Kingdom. The honourable senator from Waterloo (Hon. Mr. Euler) was one of the distinguished persons from Canada, who attended the dedication ceremonies.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: From the opening of the bridge, in 1927, until 1929 the traffic over it was much greater than had been anticipated, but after 1929 there was a sharp drop in traffic and it was impossible to retire the bonds in accordance with the original intention of the directors. This was due to some extent to the high rate of interest, and as I have said, to the decreased traffic. To meet this situation the company in 1934 applied to the New York Legislature and the Parliament of Canada, for a private bill to establish with the State of New York a bridge authority for the purpose of acquiring, holding and managing, on behalf of His Majesty in the right of Canada, the property and assets within Canada of the Buffalo and Fort Erie Public Bridge Company, and to empower the company to convey to the new bridge authority all its property and assets within Canada. In the petition which was presented to Parliament at that time the company requested appropriate action on the part of Parliament for the purpose of refinancing, which would permit considerable reduction of fixed charges and subsequently further reduction of tolls. It was pointed out that if this was not done "the beneficial and reversionary interest of Canada would be imperilled".

The bill was passed by Parliament and became Chapter 63, 24-25, Geo. V. Honourable senators, that is the act which this bill proposes to amend.

The act contains a beneficial or reversionary clause, being clause 10, which reads as follows:

When all of the bonds issued by the Bridge Authority shall have been paid in full, or shall have otherwise been discharged, the powers, jurisdictions and duties of the Bridge Authority shall cease and the property acquired and held by it within the dominion of Canada shall become the property of His Majesty the King and shall be under such jurisdiction, authority or agency as the Governor in Council shall designate.

The New York act of 1934 contains a similar clause.

Honourable senators will be pleased to know that in recent years the Bridge Authority appears to have achieved a very healthy financial position, with gross revenues averaging about \$1,250,000 per annum, and net revenues averaging slightly more than \$500,000 per annum. This resulted in the accumulation of a surplus at the end of 1954 of approximately \$5,500,000. That surplus has now been spent. Honourable senators will understand that with the increased traffic it was necessary to provide better facilities at each end of the bridge. Large custom houses, bus terminals and such facilities have been provided, and the surplus was used to make these improvements.

I believe honourable senators would be interested in a table which I have before me, which gives a comparative picture of income and expenses of the Bridge Authority for the years 1947 to 1955. With the consent of the house, I will have this table placed on *Hansard*.

Hon. Mr. Haig: I agree.

Hon. Mr. Macdonald: I will pass the table to *Hansard*.

Buffalo and Fort Erie Public Bridge Authority
Comparative statement of income and expenses
for years ended December 31
Operating
and Other

Year	Revenue	Expenditure	Net Income
1947	\$ 713,104.46	\$311,605.75	\$401,398.71
1948	860,589.28	363,399.93	497,249.35
1949	857,481.43	340,922.77	516,558.66
1950	882,156.12	351,761.04	530,395.08
1951	1,003,091.80	492,821.47	510,270.33
1952	1,031,744.12	773,852.38	257,891.74
1953	1,225,165.24	653,269.33	571,895.91
1954	1,254,673.11	701,524.97	553,148.14
1955	1,360,327.00	709,740.00	650,587.00

Since the passing of the 1934 bill, refunding bond issues have replaced the original bonds, and today there is outstanding a balance of \$778,000 of 1.10 per cent refunding revenue bonds dated March 1, 1946 and due January 1, 1962.

The statement I have before me commences with the balance outstanding on December 31, 1947 of \$2,585,000, and concludes with the December 31, 1956 balance

of \$778,000. With the permission of the Senate, I will place this table also on *Hansard*.

Buffalo and Fort Erie Public Bridge Authority
Statement of 1.10 per cent refunding revenue
bonds due July 1, 1962

Year	Balance as of Jan. 1	Retired and cancelled	Balance as of Dec. 31
1947	\$2,900,000	\$315,000	\$2,585,000
1948	2,585,000	290,000	2,295,000
1949	2,295,000	290,000	2,005,000
1950	2,005,000	290,000	1,715,000
1951	1,715,000	157,000	1,558,000
1952	1,558,000	156,000	1,402,000
1953	1,402,000	156,000	1,246,000
1954	1,246,000	156,000	1,090,000
1955	1,090,000	156,000	934,000
1956	934,000	156,000	778,000

I may say that the amount of \$778,000, which was outstanding at the end of 1956, has now been reduced to approximately \$300,000.

Honourable senators will appreciate that the company is in an excellent financial position, and that according to the reversionary clause in the act which I have just read the bridge could be taken over by the Government when the bonds are paid. However, in reviewing this matter we should keep in mind that the venture was a joint one, undertaken by two countries, each having a half interest.

About 1955 the City of Buffalo and the adjoining counties were anxious to develop the port of Buffalo so that they could take advantage of the increased shipping which they expect to come as a result of the St. Lawrence deep seaway.

The City of Buffalo and the surrounding counties wished to obtain the profits from the bridge for use in connection with this development. As a result there was enacted by the State of New York in 1955 a statute creating the Niagara Frontier Port Authority. This statute placed the Peace Bridge and its property and revenue under this authority and provided that out of a twelve-man authority three should be Canadians, with right to participate in matters affecting the bridge only. Under the prior provision, and under the provision which is in effect today, there are three appointees from Canada and six from the United States.

Hon. Mr. Davies: Who are the three from Canada?

Hon. Mr. Macdonald: I will come to that a little later. That was the proposal, in the bill passed by the New York State Legislature. The three members from Canada, according to that proposal, would be on a board which was interested in developing the whole port, but they could participate in matters affecting the bridge only.

Hon. Mr. Euler: May I ask another question? A moment ago you said that the

profits from the bridge were to go toward development of the port of Buffalo in its connection with the St. Lawrence waterway. Can that be done? Can legislation in the United States do that without the consent of Canadians?

Hon. Mr. Macdonald: The United States can use its share of the profits for whatever purpose it sees fit, but only its share. If I stated all the profits were to be so used, I meant the profits to which the United States would be entitled, that is, half of the net profits.

Hon. Mr. Euler: But it was a company; it was not the United States Government.

Hon. Mr. Macdonald: But under the terms of the clause which I have just read, when the bonds were fully paid and there was no further indebtedness the company would be dissolved and a half interest in the bridge would pass to the Government of each country.

Hon. Mr. Davies: I assume this is a bridge which opens to let shipping through to the port of Buffalo.

Hon. Mr. Macdonald: No; it is a high level bridge and does not have to be opened.

Hon. Mr. Davies: I am wondering how it will serve the port.

Hon. Mr. Macdonald: Half of the net profits would go to the United States. This money would be used for the development of the port, not for the bridge. That was the effect of the legislation which was passed in the United States in 1955.

Now, honourable senators, as you may expect, when the contents of that legislation were communicated to the dominion Government it was of course found to be unacceptable.

Hon. Mr. Euler: I would say so.

Hon. Mr. Macdonald: The Canadian Government felt it would be inappropriate for it to have representatives on a board dealing largely with matters of purely local concern in another country. On the other hand, the Government indicated—and remember this was a joint venture uniting the two countries and being erected to commemorate one hundred years of peace—the Government indicated to the United States authorities that in the usual spirit of co-operation prevailing between the two countries it recognized the one-half interest of the United States in the bridge and its right to dispose of any revenues arising from it in any way it saw fit. Accordingly, the Canadian Government at this time offered to discuss a workable alternative to the Niagara

Frontier Port Authority proposal which would recognize the interest of the two countries on the basis of the continued operation of the bridge at a profit, for a limited period of time, say, thirty years. That was the general tenure of the note which the Canadian Government sent to the United States.

Subsequently, prior to the resumption of negotiations, the Canadian Government indicated the broad outline of what it thought would be suitable provisions for the future operation of the Peace Bridge which would recognize the alternative I have mentioned and the international status of the bridge.

I shall read the principles which were sent forward to the United States:

1. The control and management of the bridge should be vested in an international commission composed of equal representation from Canada and the United States with the chairmanship alternating between Canada and the United States from within this membership.

You will recall the proposal of the United States was that we would have only three members. Canada proposed that there should be an equal number from each country.

2. The control and operation of the bridge should be kept separate from any other Canadian or United States interest.

Honourable senators will recall that the proposal was that Canada should have representatives on a board which would not only administer this bridge but would also administer the port of Buffalo.

3. The first charge on all revenues of the bridge must be the normal operating costs, the amount required annually for normal maintenance of the structure and its auxiliary buildings on both approaches, and the annual cost of such capital works as are required from time to time to accommodate the traffic seeking to use the facility.

These suggestions were sent forward to the United States, and subsequently there was a conference at Ottawa between representatives of the State of New York, the United States Embassy at Ottawa, the Niagara Frontier Port Authority, and officials of the Department of External Affairs and the Department of Finance. At this conference the United States authorities accepted the foregoing principles as a basis of discussion. A subsequent conference was held in Albany at which there was similar representation and further details were worked out. Out of these two conferences there came an agreement that the most satisfactory method of proceeding would be to retain the assistance of the Bridge Authority which had a proven satisfactory record. I do not need to remind honourable senators how satisfactory the record had been. The

bridge had been well operated over the years, and practically all the bonded and other indebtedness was paid.

Agreement was also reached on other amendments to the New York statute which created the existing authority, which would have the effect of changing its character in accord with its international status and the joint interest of the two countries in the bridge. These were:

1. An alteration of the membership from 9 to 10, divided equally between Canada and the United States, with a provision that the chairmanship will alternate annually between the Canadian and New York representation.

2. Agreement as to the manner in which tolls would be adjusted in various circumstances.

The basic principle is that tolls will be maintained at a level which, in the judgment of the Authority, will be adequate to carry the operating costs and maintenance charges of the bridge, to provide an amount rising ultimately from 7 per cent to 14 per cent of the annual gross receipts, to create a fund for the capital improvements that may be required for the bridge in the normal course of events, and a net revenue at least equal to \$400,000 per year. The toll charges will be based on these principles. The distribution of the \$400,000 I have mentioned will be in equal portions to both countries.

Finally, it was agreed, taking into account the time necessary for legislative passage and the likely minimum term of bond interest issues, et cetera, that the most suitable period for the continuance of the existing authority was one which would run to 1992.

These proposals have been translated by the State of New York into legislative amendments which were finally passed on Friday last. The present amendment proposes appropriate amendments to our act to conform to the increase in membership and provide a specific period of time.

This bridge is of great interest to all Canadians of course, but more particularly to the residents on each side of the Niagara river at this point. The inhabitants of Fort Erie, Niagara, and the Niagara peninsula have been keenly interested in the negotiations which have taken place between the two countries. I was under the impression that they would like to send witnesses to a committee of this house in connection with this bill, but I have been informed through Mr. Houck, the member for Niagara Falls, that they are very pleased at the outcome of the negotiations and are satisfied with this bill, and that they do not feel there is any occasion for them to have representatives here. They know the contents of the bill which has been passed

in the United States; they know also the contents of this bill and, as I have said, they are content. Were the bill to be referred to committee I would suggest that it go to the Standing Committee on External Affairs. However, in view of the attitude of the residents of the district, honourable senators may not think it necessary that the bill should be dealt with by a committee.

In conclusion, I think I should say a word in acknowledgment of the spirit of co-operation which has prevailed at all meetings of the joint committee. The problem could have been a very difficult one, and probably it would have been if our neighbours were some other countries. I cannot speak too highly of the attitude which was taken by the United States' representatives when they visited us or when our representatives visited them. They showed a wonderful spirit of co-operation and friendship, and proved anew that they are, as they have always been, good neighbours.

I have no hesitation in asking the house to pass this bill.

Hon. Senators: Hear, hear.

Hon. W. D. Euler: Honourable senators, as one who resides in Ontario at no great distance from the location of this bridge, I, perhaps, have a greater personal interest in it than have some other members here. I well remember when the bridge was built. As the Leader of the Government (Hon. Mr. Macdonald) said in reply to an undertoned remark of my own, I had the pleasure of being present when the bridge was opened. Perhaps it is worth mentioning that it was the then Prince of Wales who advanced to the middle of the bridge and cut the ribbon when, with the usual ceremonies, the bridge was declared open. I had the impression at that time that after the outstanding obligations had been paid off the bridge was to be toll-free. I may have been wrong, and I am not objecting now to the toll provisions, because I recognize it is important that the Authority shall have at least enough revenue to provide for maintenance and, perhaps, some extensions.

I am glad that Canada's representation on the board of management is to be equal to that of the United States. To this day I have not understood why the Canadian Government, which accepted half the responsibility and was entitled to half the profits, was restricted to a membership of three in a commission of nine. We seem to have got rid of a national inferiority complex in that we are now insisting upon, and apparently receiving, equal representation on this new body.

In conclusion, to give credit where credit is due, I think I should say that the agitation for the building of this bridge was initiated

and maintained for some years by the then member of the House of Commons for Wexford, the late Mr. German. He worked literally night and day to promote the project, and finally achieved his purpose. The bridge has been immensely useful, mainly no doubt to the people of western Ontario. I cross it many times a year. I do not think that the tolls have been excessive. The management has been efficient. It is a pleasure to know that not only has a great service been given to the people of Canada, particularly Ontario, and residents of the United States, but that the enterprise has shown what a spirit of co-operation between nations—a spirit which might well be emulated by other countries—can do.

Hon. Senators: Hear, hear.

Hon. Mr. Haig: Honourable senators, as a similar bill has been passed in the United States, I do not think this bill should be sent to committee. If it were altered, the New York State Legislature would have to change its statute. This would create an impossible situation. I suggest that, after the able explanation we have just heard, the house should pass the bill.

Hon. Mr. Macdonald: Just before the bill is given second reading may I say that I am sure we all appreciate the attitude taken by the Canadian officials from both the Department of Finance and the Department of External Affairs. They had a difficult task, and I am sure honourable senators will agree that they performed it in an admirable manner.

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

THIRD READING

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

Some Hon. Senators: Now.

Hon. Mr. Macdonald: If honourable senators consent to having the bill read a third time now I would take this opportunity to reply to the question as to the names of the Canadian members on the board. I do not have their initials, but their names are Mr. Kaumeyer, Mr. Gardiner and Mr. Teal. I understand these men are from the Niagara district. When this bill is passed two other Canadian members will be appointed.

Honourable senators, I move the third reading now.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, April 3, 1957

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

Prayers.

Routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. John J. Kinley, Acting Chairman of the Standing Committee on Divorce, presented the following bills:

Bill H-14, An Act for the relief of Samuel Jack Goldberg.

Bill I-14, An Act for the relief of Jack Crystal, otherwise known as John Anthony Connor.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. Kinley: With the consent of the Senate, I move the second readings now.

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

THIRD READINGS

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

Hon. Mr. Kinley: With the consent of the Senate, I move the third readings now.

Hon. John T. Haig: Honourable senators, I consent to these bills being read the third time now. May I take this opportunity to express my regret, and I am sure that of all members of this house, at the absence of the Chairman of the Divorce Committee, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), owing to illness. He always enjoyed particularly the last part of a session, for he then had occasion to present the committee's final report for the session and to tell about its work. I join wholeheartedly in what the honourable Leader of the Government (Hon. Mr. Macdonald) said yesterday about the work done by the committee this session under the able chairmanship of the honourable senator from Toronto-Trinity.

I do not always agree with the honourable senator from Toronto-Trinity, but I have great admiration for him. The amount of work that his committee was able to get through in this short session is very remarkable. I sincerely hope that he will soon be back with us, fully restored to health.

Hon. Senators: Hear, hear.

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

CANADA'S FOREIGN POLICY

RESOLUTION OF APPROVAL— DEBATE ADJOURNED

Hon. David A. Croll moved, pursuant to notice:

That this house approve Canada's foreign policy, with particular reference to its policies with respect to the Middle East, Hungary and aid to under-developed countries.

He said: Honourable senators, I regret to advise the house that the Honourable the Minister of External Affairs cannot be here today to participate in this debate. On the other hand I wish to express my own appreciation to the Leader of the House (Hon. Mr. Macdonald) for the firm stand that he took yesterday when the purpose and the intent of rule 18A was questioned. To one who is new in the Senate it was very heartening to receive that support from the leader. My own impression was that the application of that rule was intended to stimulate the usefulness of this house. The effect of yesterday's debate, I think, will not be lost on the country and may yet have a useful effect on the functioning of this house.

My original intention was to speak on the economic aspects of foreign affairs and leave the political part to the Secretary of State for External Affairs. I shall now speak to both aspects, and it is going to take me a little while longer than I had anticipated. Thus I ask for your indulgence. I promise one thing, that I will finish in time so that members of this house may be able to join with the delegation that is coming to town from Montreal in a special "rock'n'roll" train to see and hear a character called Elvis Presley who will be holding forth at the Auditorium.

I was a delegate to the eleventh session of the United Nations General Assembly at New York which has just concluded its deliberations. The session lasted for three and a half months. It was interesting, it was exciting, educating and expensive. Many matters of import were discussed and remained unsolved. Uppermost of course were the Middle East question, the Arab-Israeli differences, Hun-

gary's fight for freedom and the flight from communism. There were also the matters of Cyprus, Algeria and Kashmir, as well as assistance to underdeveloped countries. Canada played its part. It was extremely well represented by its delegation, which included the permanent member, Dr. R. A. MacKay, and had some very able, knowledgeable and intelligent assistants who acted as advisers to the delegation. Canada's position at the United Nations is very high, and the delegation and the advisers maintained that high level. Foremost, of course, was the Secretary of State for External Affairs, who by any measure is by far the ablest secretary of state in the world today.

Some Hon. Senators: Hear, hear.

Hon. Mr. Croll: He was consulted by all heads of delegations. His counsel was sought, his advice was taken, and he exuded leadership. He established and maintained Canada's high reputation in world affairs to the point where this country, once considered the top of the middle powers, is now one of the smaller of the greater powers. His contribution has been constructive and dynamic; and if a historian today were to assess the post-war record of the world he would have to place Canada in first position.

I did not become an expert on world affairs in three and a half months, nor do I set myself up as one. Long before I came here or to the House of Commons I had a vital and consuming interest in foreign affairs, and during all my years in the other house I was a member of the Committee on External Affairs and active in its deliberations. That, I repeat, does not constitute me an expert. However, I think I can make a contribution.

Canada's foreign policy, operated within the framework of the United Nations, the Commonwealth and NATO, has found approval in the western world, and should be endorsed by Canadians. That is why I bring the subject before this deliberative house at this time. The policy has been constant in its purposes, wise in its application, and directed to the interest of peace. In many ways it has given leadership.

I quote this editorial comment from the *New York Times* of March 2 of this year:

This compromise marks a triumph of statesmanship and diplomacy for which credit and thanks is due to all who made it possible.

And further:

. . . but by no means least, Canada's Mr. Pearson, who did much to correct the balance of right and wrong as between Egypt and Israel.

From the *New York Times* of March 26 I quote the following with reference to the recent conference at Tucker's Town, Bermuda:

For their part members of the British delegation went out of their way to say that there was great appreciation in Britain for all that Lester B. Pearson, Secretary of State for External Affairs, had done for the Mother Country in the United Nations . . .

The *Ottawa Journal* of March 18, 1957, quoted the *Daily Telegraph* of London, as follows:

No country has grown in international stature so swiftly and markedly as Canada has done during the Middle East crisis. Her role in the United Nations has been of dual importance. At the outset she assumed there a Commonwealth leadership that Britain, as a "party in the dock", was temporarily debarred from exercising. In the subsequent shaping of United Nations policy Canada tried to temper with realism the legalism into which the Assembly was forced by Afro-Asian rigidity and United States timidity. Hers has often been a lonely voice of reason, crying out in a wilderness of fantasy, "expectations" and "assumptions".

And still quoting from the *London Times*, I read from the *Montreal Gazette* of March 27:

Canada speaks with a new authority on Middle East problems as a result of her active role in the work of the United Nations Emergency Force.

These writers whom I have quoted are not Canadian. Their comments show how other people see us.

The alternative to our present policy is isolationism or power politics. We have discarded both as unacceptable and unsuitable. In bringing judgment to bear on our policy, we must ask ourselves, "Is Canada doing everything that she can?" Are we doing all that is possible to correct the situation, keeping in mind that we didn't create or contribute to the present unsettled world situation?

It is true to say that we are nobody's chore-boy, nor are we satellites. It is equally true that we have come forward with the only solution. The Honourable Lester B. Pearson, Secretary of State for External Affairs, is the architect of the United Nations Emergency Force, which was a bold and imaginative experiment and appears to have worked. It is equally true that Canada moved the resolution under the heading of "Uniting for Peace", whereby the General Assembly and not the Security Council could deal with urgent matters. This was done in order to avoid the veto which belongs to members of the Security Council. In so far as the United Nations Force is concerned, it is taking shape, sentiment for it grows, and it will be on a permanent basis, doing fire brigade duty, putting out fires of anger which might lead to a holocaust.

I do not overstate when I say that the world has not received a thorough briefing on all the aspects of the Israeli case and it is increasingly understood. The great error was that we treated Nasser as an innocent victim of aggression. The world today realizes that Israel was not the aggressor—the provocative aggressor was Egypt; and now from humiliation of defeat by Israel, Nasser is attempting to win a personal victory.

Britain and France departed because of the United Nations. Israel, whose very existence was threatened, departed on certain "assumptions", "assurances", "understandings" and "expectations". What were these? They are very important in attempting to understand what is going on there now. They were put to the assembly in a statement by the Foreign Secretary of Israel on March 1. One was that the Gulf of Aqaba and the Straits of Tiran would be considered as international waters, and that there would be free and innocent passage for all shipping through them, and that the United States Government would support this proposition. Second, that the United Nations Emergency Force would move into the Sharm al-Shaikh area, and not move out of that area until the matter had been considered by the Assembly Advisory Committee of seven.

Then with respect to Gaza which was the dangerous point at the moment, Mrs. Meir, the Foreign Secretary of Israel, in a speech before the Plenary Assembly laid down these assumptions:

(a) That on its withdrawal the United Nations forces will be deployed in Gaza and that the take-over of Gaza from the military and civil control of Israel will be exclusively by the United Nations Emergency Force.

(b) It is further Israel's expectation that the United Nations will be the agency to be utilized for carrying out the functions enumerated by the Secretary-General, namely: safeguarding life and property in the area by providing efficient and effective police protection; as will guarantee good civilian administration; as will assure maximum assistance to the United Nations refugee program; and as will protect and foster the economic development of the territory and its people.

(c) It is further Israel's expectation that the aforementioned responsibility of the United Nations in the administration of Gaza will be maintained for a transitory period from the take-over until there is a peace settlement, to be sought as rapidly as possible, or a definite agreement on the future of the Gaza strip.

She concluded by saying:

It is the position of Israel that if conditions are created in the Gaza strip which indicate a return to the conditions of deterioration which existed previously Israel would reserve its freedom to act and defend its rights.

These were the assumptions and expectations laid down by the Government of Israel on the basis of which they withdrew.

The Canadian position with regard to this statement of Mrs. Meir was that, as we understood them, her assumptions and expectations were reasonable.

The United States position, as stated by Henry Cabot Lodge, the chief American delegate, was as follows:

For the most part the declarations constitute, as we understand it, the restatements of what has already been said by this Assembly or by the Secretary-General in his reports, of hopes and expectations which seem to us not unreasonable in the light of the prior actions of this Assembly.

This statement of Mr. Lodge was followed by an extremely important communication of March 2 from President Eisenhower to the Prime Minister of Israel which may have been decisive in bringing about the withdrawal. I quote from that letter of President Eisenhower, as follows:

It has always been the view of this Government . . .

meaning the American Government.

that after the withdrawal there should be a united effort by all of the nations to bring about conditions in the area

that is, the Gaza area.

more stable, more tranquil and more conducive to the general welfare than those which existed heretofore.

Then he went on to say:

I believe that it is reasonable to entertain such hopes and expectations and I want you to know that the United States, as a friend of all of the countries of the area and as a loyal member of the United Nations, will seek that such hopes prove not to be in vain.

That was followed by a televised speech by the President of the United States, which most of you heard. Well, what else could Israel do? She had the word of the President of the United States. Furthermore, when she agreed to withdraw her forces it was on the unequivocal understanding that the world community, headed by the United States, would protect her legitimate rights. She now holds an international commitment which the world cannot lightly disregard. Israel yielded Gaza and Sharm al-Shaikh with deep misgivings under pressure from the United States and the United Nations on the following conditions:

(1) That Israeli ships would have free and innocent passage through the Straits of Tiran and the Gulf of Aqaba, which would be considered international waters.

(2) That the United Nations should take military and civil control of Gaza so that the Gaza strip would not be used as a base for Egyptian fedayeen guerrilla raids.

That is what we in Canada understood; that is what the world understood. Despite these assurances, Israel has been double-crossed. Two days after the withdrawal the world saw that what Israel had said was true. Nasser has ditched the assumptions of Israel and the hopes of the United States and the United Nations, and now we find the United Nations' troops in the Gaza strip not administering the area but shielding Egypt, acting as a buffer between Israel and Egypt.

Without consulting the United Nations, in disregard of previous understandings and pleas to go slow, the United Nations force has been ousted from the administration of Gaza. Israel expelled Egypt from Gaza, and the United Nations has now restored them to their former position. What irony! What tragedy!

As a result of all this, Israel feels badly let down. She surrendered her natural defences to depend on people who have failed her in the past, and it appears even now that the United Nations condones sin only if the sinner is too strong to be chastised, too tough, or is a sacred cow.

Israel does not ask to enjoy the fruits of victory, but it follows that she should not be asked to return to the *status quo ante*. The only reward she asks is the establishment of conditions which would prevent border warfare and the violation of international maritime law; and for that she is relying, to quote the words of the President of the United States, on:

the resoluteness of the forces of justice to bring about a state of affairs which will conform to the principles of justice.

From recent experiences have come many lessons. We have now learned that moral pressures are only effective against those who live by moral standards, and it is quite evident that the United Nations has both responsible and irresponsible members.

The Honourable Lester B. Pearson tried, on at least two occasions, to have the United Nations spell things out. He argued that unless they were spelled out we would be in a mess. We are. Then, before the Plenary Session of the United Nations he interpreted the resolutions, vague as they were, in the strongest and most precise terms, hoping other nations would do the same.

Mr. Pearson's suggested resolution provided not only for Israeli withdrawal, but dealt with conditions that brought about Israeli intervention. He wanted intervention and

provocation classed together. The United Nations, on the other hand, liquidated intervention before causes for provocation were dealt with.

Israel's withdrawal has put her morally and politically in the right. We must ask ourselves, can we afford to put her back into the lacerating conditions which preceded the intervention?

So long as the Arab leaders say that Israel must be driven into the sea, there will be no order in the Middle East. Yet if Israel were wiped out, not a single Arab would benefit. Arab leaders are using the Israelis as whipping boys. They feel they have to give the people something to be good and mad at or else they will be good and mad at the Arab leaders. They might well better attack poverty and ignorance, of which they possess even more than oil.

Israel withdrew, as I have already indicated, on certain understandings, but she might better have said that she would evacuate Gaza and Sharm al-Shaikh when Nasser restores the Suez to its legal status; when Russia starts withdrawing troops from Hungary; the moment India starts restoring the legal status of Kashmir.

It comes badly from India to lead a bitter attack on Israel, a tiny country desperately trying to survive, mainly because India wished to curry favour with her Arab friends by declaring that Aqaba was not international water. We were led to expect better from her.

There was some talk at the United Nations about sanctions. The Canadian Government was always opposed to sanctions. The Canadian Government agreed that Israel was fully entitled, before withdrawing, to pledges and assurances of future Egyptian good behaviour. There could be no sanctions against the sorry remnant of Hitler's holocaust, who had found a home, freedom and dignity in Israel. Canada's position was that they should have more or less permanent occupation by the United Nations forces of crucial areas, but not return to conditions previous to intervention.

Israel's refusal at the present time to allow United Nations troops on her territory is understandable. She takes the position that this would be another concession to Nasser when he is not prepared to make the slightest concession. It would be further appeasement to the insatiable demands of Nasser. Israel has no other cheek to turn.

You must remember there is no marauding that comes from the Israeli side. With Egypt on the Gaza Strip at the present time, the United Nations' force would have no

function to perform within Israel. Israel maintains that the United Nations' force would be far less efficient than their own soldiers in stopping guerrilla raids. All it would do would be to advance the guerrilla borderline a mile or so beyond where it is at the present time. Israel says that she has about 20 villages whose farms are a potential no man's land, who would be dependent on the United Nations' force for defence. That is to say, Israel can do that job better than anybody else can at the present time.

Thus we find ourselves in the position that the world has learned little from past experiences. We did not stand up to the big bully, Hitler. We are not standing up to the little bully, Nasser. The time has come when Nasser, who is not a conqueror but is acting like one, must be checked.

It is time we began to talk of sanctions against Egypt, boycotting the canal and providing alternative routes to the Suez. Appeasing Nasser will not pay off. We shall receive only the appeaser's reward, the bitter taste of humiliation. We can never again rely on the Suez Canal for fuel which lights our cities, heats our homes and powers our industries. We must for our own safety by-pass the Suez.

To date, this much has been resolved in the Middle East: there is greater understanding of Israel's position and Nasser's intransigence. If it becomes necessary for Israel to blast her way in and out of the Straits of Tiran and the Bay of Aqaba, the world will cheer. If it becomes essential to re-occupy Gaza, the world will applaud.

It is our fervent hope that neither of these will become necessary or take place. The world has given Israel the green light for innocent passage through the Gulf of Aqaba, security of frontiers, and freedom from fedayeen raids in Gaza.

We are a small nation and have a deep and abiding feeling for other small nations. Down deep we have a feeling of admiration for Israel, who stood up to friends and foes alike. The western world is running out of patience. The time for a show-down with Nasser is overdue. We must ask ourselves, are we underestimating Nasser? How did we ever get ourselves into this mess? I think we have to come to the conclusion that this violent truce which we have at the present time cannot endure. What the solution is, I cannot say. I was somewhat struck when I picked up the *Montreal Gazette* this morning and learned that Secretary of State Dulles gave notice that:

Western confidence in Egypt's word might hinge on whether President Nasser accepts United States revisions in the Egyptian plan for operating the Suez Canal.

To have the Secretary of State of the United States raise the question of confidence in Nasser's words at this stage shakes me, if it does not shake anybody else in this house.

I thought we had come to the conclusion a long time ago that we could not take his word for anything, and could not accept his undertaking. It is statements like that which make it difficult to understand what is really going on in the world today, and who is handling world affairs and how effectively.

Honourable senators, the second portion of my remarks has to deal with economic aspects. I was the Canadian representative on the second committee. Our honourable friend from Wellington (Hon. Mr. Howard) was the representative when he was at the United Nations, and the honourable senator from Cariboo (Hon. Mr. Turgeon) was on the committee when he was a delegate. This committee deals with the social and economic problems at the United Nations.

What I have to say on help to underdeveloped countries is neither dramatic nor sensational but a worthy record of steady and clarified progress in providing human goodwill. Our economic aid program has been successful because we gave generously without strings attached. It was a giving from the warmth of the heart and not by way of charity. We had no military pacts attached to our aid.

We paid in membership fees to the United Nations administration budget \$1,600,000, which is equivalent to 3.6 per cent of the total. In economic aid we usually give 6 per cent of the American contribution. Specialized agencies last year cost us \$1,400,000. These agencies are devoted to better social conditions and higher living standards in underdeveloped countries. We gave \$650,000 to UNICEF, and since 1947 we have given \$10,675,000 to the same fund. Private campaigns collect another \$1,500,000, and I am told by the people who collect for UNICEF that this money comes in in dimes, quarters and half-dollars quite voluntarily and from many parts of the country. To the Palestine refugees we give a half-million dollars yearly. Hungarian relief costs us \$1 million. Technical aid since 1950 costs us \$7.2 million, which is the third largest contribution and the largest on a *per capita* basis. Our total giving in 1956 to United Nations agencies was \$6 million.

Whereas in other countries foreign aid has been referred to as "Operation Rat-hole", and there has been much sound and fury in opposition, our country has taken the opposite view—we don't think we have been doing enough.

Today the slumbering nations in the East and Far East have awakened to self-government. They demand not only freedom, but more food and better health services, and the right to learn how to read and write. The need is there. If we do not meet it the Soviets will do so and, by sucking these nations into the role of satellites, make for us a shrinking world.

We do not attempt to buy friendship and allegiance with dollars. Bought friends are not too trustworthy. Under our plan each nation must accept responsibility for planning and administering its own development program, even though in some instances help may be necessary in planning and administration. Donor countries merely supervise, to protect their own contributions, to see that the project is carried on as agreed.

We give some assistance bilaterally, through the Colombo Plan. We give some multilaterally, through the United Nations. Circumstances decide each case. Under the Colombo Plan we pay particular attention to India, Pakistan and Ceylon. We have always considered the Colombo Plan an investment in peace and we are spending \$34 million annually, not as a handout, but in capital goods like machinery, power plants and that sort of thing. For example, in India we are building an atomic reactor and a hydro plant; in Pakistan we are building a hydro plant and doing an aerial survey; to Ceylon we are supplying diesel engines. These are being manufactured in the city of Kingston, the home town of an honourable senator (Hon. Mr. Davies). And we are putting up a fish cold storage plant. The Colombo Plan has been a significant contribution to the economic welfare of South and South-East Asia.

There are at least three valid reasons why we should co-operate with these Asian countries in such mutual aid. One, of course, is the sincere humanitarian desire on the part of those who are materially well favoured to help those who are not. The second is the recognition that it is in our own interest to live in a world where prosperity is more universal; that the more quickly other peoples' standard of living can rise, the better off all of us will be. The third is the hope that economic aid can serve the cause of peace; because the stronger any free nation is, the less chance there is of aggression and war.

I repeat, it is important to guard against the idea that we can purchase or should try to purchase allies in that part of the world. Communist propaganda is insinuating this interpretation throughout Asia, and it is important to give it the lie. The East will

not become a mercenary in our ranks. It would be deplorable if Asians believed that Westerners had insulted their dignity, or misread their independence, by entertaining such notions. If we of the West provide material aid only or primarily for cold-war motives, we are likely to fail in achieving any good and permanent result. If, however, we give help out of a recognition of brotherhood with our free Asian neighbours, we shall succeed in improving the political atmosphere as well as in promoting human welfare. Good will is contagious.

We in the West have no wish to compete with communist dictatorial régimes in their offers, some of them cynically hypocritical, of material assistance, dictated by political considerations arising out of communist policy which in the long run can mean only trouble for those peoples who come under its influence. We can, however, successfully compete with them—if we wish to, as we should—in sympathetic understanding and good-neighbourliness as the basis for mutual aid. These qualities are more important even than the material value of such aid. We in the Western countries would be well advised to remember this as we face the problems of competitive co-existence and the contest for the hearts and souls and the friendship of the uncommitted millions of Asia.

There are three main permanent organs of the United Nations—the Security Council, the Trusteeship Council, and the Economic and Social Council. Canada is a member of the Economic and Social Council, which is regarded as a specialized body of the United Nations responsible for economic and social matters. Canada has always taken an active and constructive interest in the economic subjects discussed in the United Nations. In the early sessions of the United Nations, Canada, to a large extent, was responsible for laying the groundwork for its activity in the economic field, because it early recognized the importance which the United Nations could play in the economic field and has been among the leaders in contributing in a practical financial manner to the U. N. economic program.

Let us take some specific examples. Canada has so far contributed \$7½ million to the United Nations Korean Reconstruction Agency and about \$9 million to the United Nations extended program of technical assistance. Canada is regarded as a very influential middle power whose views are treated with respect and confidence, and there are occasions when the Canadian delegation is especially qualified for initiating or supporting some measures in the General Assembly.

The nature of the Canadian economy and the political position of Canada make it necessary sometimes to assume an active and responsible role which is always closely related to the position of our friends and allies, particularly the United Kingdom, the Commonwealth and the United States of America; but we also work very closely with some of the European delegations and have particularly close and friendly contacts with delegations from the less-developed countries, especially those countries in which we are undertaking important programs of economic assistance.

The discussions on economics are usually freer from political difficulties than are discussions in most other committees, but political realities do underlie the decisions of the Economic Committee. None the less, most of the decisions reached were unanimous except where major differences of opinions could not be reconciled—and these were very few.

Let me just indicate some of the matters that were dealt with at the last session of the United Nations. One was United Nations Korean reconstruction. This echoed the actions of the U.N. after the Korean war. The agency was established to assist in the rehabilitation of a war-devastated economy. This work is now completed. It was well done.

In the field of technical assistance much is accomplished. In a great measure this is due to a distinguished Canadian, Dr. Hugh Keenleyside, who served as Director General of the U.N. Technical Assistance Administration. One of the serious matters was the utilization of currency in order to assure that no country would attach conditions to the contribution that would serve that country's national political interest; that is, to serve the interest of the contributor rather than the overall interest. This program is one of the more successful ones and is genuinely multilateral.

In the field of public administration it was indicated that the economic difficulties of many of the less-developed countries arise to a very great extent from the lack of sufficient trained and experienced administrators. The United Nations extended its efforts to promote the training of specialists who could subsequently play major roles in their country's administration. Canada has made training facilities available and is to some extent responsible for United Nations actions in this respect.

Underdeveloped countries urgently need help in drawing up sound practical development programs. The term "underdeveloped countries" is usually applied in relation to Asia, Africa, the Middle East and Latin America. We from the developed countries of

Europe and America were very careful to make certain that under no circumstances would we find ourselves in a position with the underdeveloped on one side and the developed on the other side on any question. We felt that to split on "have" and "have-not" lines was not in the United Nations spirit.

One of the matters dealt with was the establishment of a world food reserve. In this subject Canadian delegates had a very great interest. As one of the major food producing countries, Canada was deeply concerned to ensure that the discussions were practical and realistic. It was decided that it was not practical at the present time to consider establishing a world food reserve.

The matter of industrialization was considered and the Canadian delegation felt that the studies should be made as useful as possible to assist the underdeveloped countries to promote industrial development. This seemed to be the objective of all underdeveloped countries who took one look at Canada and decided that what they saw they liked and immediately set out to become industrialized overnight. We advised them the road was paved with pitfalls, that it would be a long period and that it would need much adjustment in the economy. The matter was left for further study.

One matter of particular interest was the Special United Nations Fund for Economic Development, referred to as SUNFED. The Canadian position on the matter was laid down in these terms:

The Canadian Government has in the past supported the special fund in principle but has opposed its immediate establishment. The Canadian Government's final decision regarding a fund of the type now under consideration would depend in large measure on whether it was satisfied with the organizational and administrative arrangement where such has to lead to efficient operation and that the fund would command sufficient support to enable it to operate effectively.

The underdeveloped countries have been pressing since 1949 for the establishment of a fund to aid projects for which other sources of finance were not available. They expected that SUNFED would finance such projects as schools, roads and hospitals, which do not show a profit but which are nevertheless of general importance to the economic development. The original expectation was that the countries which were able to provide economic aid would, through SUNFED, provide this assistance through the United Nations rather than through bilateral channels. The major potential contributors to SUNFED were not prepared to make large sums available until conditions of world-wide disarmament had been achieved. The Canadian position was not on that precise ground, but

rather would depend on administration and authority establishment to the extent to which this fund would be supported by other major donors. Support of the major donors was not at present available and so the fund could not be established at this time. Nevertheless, progress was made by establishing an *ad hoc* committee of the General Assembly to study the SUNFED concept. In this respect it is particularly interesting to note that while underdeveloped countries had a majority on the committee for early and immediate action, they could have passed any resolution they wished toward early establishment of SUNFED. They were nevertheless willing to postpone such action, and in the final analysis a resolution on the subject was presented to the Assembly and passed unanimously.

Another matter of interest to the Canadian delegation was a discussion on international trade. The U.S.S.R. and its satellites were insisting on holding an international economic conference. The view of the committee was that at the present time an international economic conference would produce undesirable political consequences. It was decided to continue supporting the existing programs of studies by the U.N., to promote freer world trade within the context of existing institutions such as the General Agreement on Tariffs and Trade, which we know as GATT. The Soviet group are not members of GATT and were attempting a diversionary attack on it through the United Nations.

There was one rather important matter which Canada presented. It dealt with the collection by the United Nations of information concerning all programs of international economic assistance. It was to have an inventory of current aid to complete "aid currently available". The Canadian delegation believes that the United Nations should take into account the bilateral programs of economic aid which are undertaken directly by members of the United Nations as well as those undertaken collectively through the U.N. The Canadian delegation considered that the collection of this information would lead to a useful co-ordination of all economic aid programs and would result in a better understanding of the nature of the problems with which the U.N. is so deeply concerned—that is, the economic development of the underdeveloped countries.

In the course of the three and a half months at the United Nations there were ten or twelve subjects of interest and concern which were studied by the second committee. I spoke at least once on each subject, and on some it was necessary to speak two or three times. I was, of course, briefed by

departmental experts. We were able to make helpful contributions to these deliberations. We stood by our guns and made friends for Canada. We hoped that we were able to get our message across to the uncommitted people, particularly those who needed our assistance.

Hon. Mr. Pouliot: You always make a good speech.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Croll: In general the matters before the committee were discussed in an informal and constructive fashion. Some of the debates were difficult but, in the main, solutions acceptable to the Canadian delegation were evolved and the Canadian delegation was required to play an active role in ensuring that decisions reached were reasonable and practical. It is quite evident that there is an increased interest from all countries, including those countries which have recently joined the United Nations.

We found that whereas the Senate had one representative among the five delegates, all parties in the House of Commons sent observers. They came for a period of two or three weeks. They were briefed and enjoyed participating in the matters that took place at the United Nations, depending on their special interests. There were no senators, however, who came in as observers. I think the Senate should take advantage of the opportunity—and I am sure it is available—to send some of our members as observers. If I know senators as well as I know members of the other house, I feel senators can afford this trip. It is not too expensive and is very educational. I am sure honourable senators will find it as stimulating and interesting as I did.

Honourable senators, I apologize for taking so long, but there is another matter that I did want to raise.

One of the matters we dealt with at the United Nations was the nation of Ghana, which after nine centuries was reborn. Ghana is faced with frightening problems of poverty born of centuries. To come of age is, in part, deliverance; but more than that, it is a challenge. When you come of age there is no longer anyone to lean on if things go wrong. Ghana has decided to stay in the Commonwealth to work out common problems. She also claims that she will act as an instrument and example to end colonialism and not to perpetuate it. She has had no time to develop her resources as a basis for credit-worthiness and she needs so many things. We, of course, are the eldest member of the Commonwealth family, and at times we have helped out the head of the family by gifts

and otherwise. As the eldest and richest and strongest and most able we should in turn help the youngest and weakest member of the Commonwealth family. We can act as a bridge on the continent of Africa; we can bring light to that dark continent by giving the people of Ghana assistance, guidance, and extending to them the welcome hand of friendship.

We as a country have done a tremendous job in giving worth-while assistance to the people in underdeveloped countries. There is a real bond between us. You have to be there among those needy nations to really feel

it—and you can feel it: it is electric. I think that one of our great missions is the spreading of some of our wealth to these people who need things so badly, and who take it from us because they feel we give it out of friendship and a desire to improve their standard of living.

Hon. Senators: Hear, hear.

On motion of Hon. Mr. Gouin, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

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THE SENATE

Thursday, April 4, 1957

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

Prayers.

Routine proceedings.

ADJOURNMENT

Hon. W. Ross Macdonald: Honourable senators, I move that when this house rises today it stand adjourned until Monday next at 8 o'clock in the evening.

The motion was agreed to.

STATUTE OF INTERNATIONAL ATOMIC ENERGY AGENCY

RESOLUTION OF APPROVAL

Hon. Donald Cameron moved, pursuant to notice:

Resolved: That it is expedient that the Houses of Parliament approve the Statute of the International Atomic Energy Agency signed by Canada at New York on October 26, 1956, and that this house do approve the same.

He said: Honourable senators, I might take a moment or two to give some historical background in connection with this motion. It will be recalled that it is an outgrowth of President Eisenhower's dramatic proposals to the United Nations General Assembly on December 8, 1953. In that address he outlined a plan for an International Atomic Energy Agency under the aegis of the United Nations, with responsibility for finding methods of applying atomic materials to the production of power, for use in agriculture and in medicine and for other peaceful purposes of mankind. This became known very shortly as the "Atoms for Peace Proposal."

In the following months these proposals were discussed, generally with approval, by various members of the United Nations, and in a short time an eight-nation group—consisting of the United States, Australia, Belgium, Canada, France, Portugal, South Africa and the United Kingdom—prepared a first draft of the statute. That was in 1954. This draft was debated at the United Nations General Assembly in the fall of 1954, and on December 4, 1954 the proposal for creating an International Atomic Energy Agency was endorsed by unanimous vote.

In August 1955 the draft statute was circulated to get the views of all members of the United Nations and specialized agencies; in other words, it was circulated among 84

different countries. The subject was again debated at the Tenth General Assembly of the United Nations in 1955, and was unanimously endorsed at that time.

On the basis of approval of the Tenth General Assembly of the United Nations, the eight-nation working group referred to earlier—namely, the United States, Australia, Belgium, Canada, France, Portugal, South Africa and the United Kingdom—was expanded to include Brazil, Czechoslovakia, India and the U.S.S.R. Upon the invitation of the United States Government this group met at Washington for the purpose of incorporating the suggestions that had been made by the member states and drafting a revised statute. This revised draft was completed on April 18, 1956, and met with almost unanimous approval. It was further discussed by a twelve-nation working group, consisting mostly of ambassadors, and was submitted to a conference on the Statute of the International Atomic Energy Agency which opened in New York on September 20 last, under the chairmanship of Carlos Muniz, of Brazil, with Ambassador Winkler of Czechoslovakia as Vice-Chairman and Dag Hammarskjöld as Secretary-General.

The conference was called on the invitation of the United States Government on behalf of the twelve-nation sponsoring group. It brought together 81 nations, the largest world gathering of nations in the history of mankind; and after 36 days of discussion and negotiation it arrived at an agreement on the setting up of an International Atomic Energy Agency and a statute governing its operations. This statute was opened for signature on October 26, 1956, and was signed that day by 70 nations. Ten other countries have since signed. The delay in signing by these other countries was not due to any objection to the statute but arose simply because of constitutional, geographic and other limitations. Thus up to date 80 nations have signed this statute.

We have now reached a position where the statute, before it can become effective, must be approved by the Governments of the signing countries. Provision is made that the statute will come into effect when 18 countries have approved it and deposited the ratified instrument with the Government of the United States, which has been designated as a depository government for the purpose of convenience.

Of the 18 signing countries necessary to bring this statute into effect, three must be from among the following: Canada, France, the United Kingdom, the U.S.S.R. and the United States.

In order to continue the preparatory work of the Agency, provision was made in

Annex 1 of the draft statute for establishment of a preparatory commission composed of the 12 nations which drafted the original statute, together with six elected members. The commission, which was to come into being on the day the statute was opened for signature, was to be responsible for arranging the first General Conference of the Agency and was to make designations to the first Board of Governors.

The elected members of the preparatory commission were, in addition to the 12 original members: the Argentine, Egypt, Indonesia, Japan, Pakistan, and Peru. At the closing plenary session of the conference last September it was recommended that the headquarters of the Agency should be in Vienna.

The Statute of the International Atomic Energy Agency consists of 23 articles, the most important to Canada being (1) Article VI, composition of the Board of Governors, (2) Article XII, Agency safeguards, and (3) Article XIV, financial arrangements.

Article XX, dealing with definitions, involved some argument in the conference which adopted the statute, not from the standpoint of the definitions themselves but rather from the standpoint of the control of and disposal of fissionable materials which were the by-product of operation in an Agency project.

Taking the most important articles in order, I might briefly comment on them.

Article I simply deals with the establishment of the Agency.

Article II deals with the objectives. Briefly, these are that the Agency shall seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. It shall ensure, so far as it is able, that assistance provided by it or at its request or under its supervision or control is not used in such a way as to further any military purpose.

Article III deals with the functions. Under section A the Agency is authorized:

(1) To encourage research on, and development and practical application of, atomic energy for peaceful purposes throughout the world; and, if requested to do so, to act as an intermediary for the purposes of securing the performance of services or the supplying of materials, equipment, or facilities by one member of the Agency for another; and to perform any operation or service useful in research on, or development or practical application of, atomic energy for peaceful purposes;

2. To make provisions, in accordance with this statute, for materials, services, equipment and facilities to meet the needs of research on, and development and practical application of, atomic energy for peaceful purposes, including the production of electric power, with due consideration for the needs of the underdeveloped areas of the world;

3. To foster the exchange of scientific and technical information on peaceful uses of atomic energy;

4. To encourage the exchange and training of scientists and experts in the field of peaceful uses of atomic energy;

5. To establish and administer safeguards designed to ensure that special fissionable and other materials, services, equipment, facilities, and information made available by the Agency or at its request or under its supervision or control are not used for any military purpose; and to apply safeguards, at the request of the parties, to any bilateral or multilateral arrangement, or, at the request of a State, to any of that State's activities in the field of atomic energy;

6. To establish or adopt . . . standards of safety for protection of health and minimization of danger to life and property . . . and to provide for the application of these standards to its own operations as well as to the operations making use of materials, services, equipment, facilities, and information made available by the Agency or at its request or under its control or supervision; and to provide for the application of these standards, at the request of the parties, to operations under any bilateral or multilateral arrangement, or, at the request of a State, to any of that State's activities in the field of atomic energy;

7. To acquire or establish any facilities, plant and equipment useful in carrying out its authorized functions, whenever the facilities, plant and equipment otherwise available to it in the area concerned are inadequate or available only on terms it deems unsatisfactory.

Section B provides that in carrying out its functions, the Agency shall:

1. Conduct its activities in accordance with the purposes and principles of the United Nations to promote peace and international co-operation, and in conformity with policies of the United Nations furthering the establishment of safeguarded worldwide disarmament . . .

I might mention that this was one of the policies which precipitated a great deal of discussion.

2. Establish control over the use of special fissionable materials received by the Agency, in order to ensure that these materials are used for peaceful purposes;

3. Allocate its resources in such a manner as to secure efficient utilization and the greatest possible general benefit in all areas of the world, bearing in mind the special needs of the underdeveloped areas of the world.

Subsections 4 and 5 require the submission of reports on the Agency's activities to the General Assembly of the United Nations, the Security Council, when appropriate, and the Economic and Social Council.

Article IV, dealing with membership, provides:

A. The initial members of the Agency shall be those States members of the United Nations or any of the specialized agencies which shall have signed this statute within 90 days after it is opened for signature and shall have deposited an instrument of ratification.

It is rather interesting to note that the first country to ratify was Russia, and the second was Egypt.

B. Other members of the Agency shall be those States, whether or not members of the United Nations or any of the specialized agencies which deposit an instrument of acceptance of this statute

after their membership has been approved by the General Conference upon the recommendation of the Board of Governors . . .

C. The Agency is based on the principle of the sovereign equality of all its members . . .

Article V, which has to do with the General Conference, provides:

A General Conference consisting of representatives of all members shall meet in regular annual session and in such special sessions as shall be convened by the Director General at the request of the Board of Governors . . .

Clauses C, D, and E of article V deal with the manner in which the General Conference shall elect its officers, make its rules, elect members to the Board of Governors, approve States for membership, suspend members, approve budgets, reports, agreements and general administrative matters.

Article VI relates to the Board of Governors. The significant sections of this Article have to do with the Constitution of the Board of Governors, which was a rather delicate and difficult political matter. The pertinent paragraphs are subsections 1, 2, and 3 of sections A, which read as follows:

A. The Board of Governors shall be composed as follows:

1. The outgoing Board of Governors (or in the case of the first Board, the Preparatory Commission referred to in Annex I) shall designate for membership on the Board the five members most advanced in the technology of atomic energy including the production of source materials and the member most advanced in the technology of atomic energy including the production of source materials in each of the following areas not represented by the aforesaid five: (1) North America, (2) Latin America, (3) Western Europe, (4) Eastern Europe, (5) Africa and the Middle East, (6) South Asia, (7) South East Asia and the Pacific, (8) Far East.

2. The outgoing Board of Governors (or in the case of the first Board, the Preparatory Commission referred to in Annex I) shall designate for membership on the Board two members from among the following other producers of source materials: Belgium, Czechoslovakia, Poland, and Portugal; and shall also designate for membership on the Board one other member as a supplier of technical assistance. No member in this category in any one year will be eligible for redesignation in the same category for the following year.

The balance of the article deals with time and method of election to the board, tenure of office, voting procedure, authority of the board and administrative procedures.

Article VII—"Staff"—deals with the appointment of a director general by the Board of Governors and the recruitment and appointment of qualified technical, scientific and other personnel by the Director General. It also deals with terms and conditions of service, remuneration, et cetera.

Article VIII—"Exchange of information"—deals with responsibility for exchanging information on peaceful uses of atomic energy among members of the Agency.

Article IX provides for supplying of materials. This article, in ten sections, deals

with the manner in which members may make available to the Agency such quantities of fissionable material as may be deemed advisable. It provides that each member making fissionable materials shall notify the Agency of the quantities, form and composition of such materials, and this reporting must be done annually. It also provides that the Agency shall as soon as practicable establish or acquire plant, equipment and facilities for the receipt, storage and issue of materials; physical safeguards; adequate health measures; control laboratories for analysis, et cetera; and housing and administrative facilities.

Article X concerns services, equipment and facilities. It simply provides that members may make available to the Agency facilities which may further the Agency's objectives.

Article XI—"Agency projects"—deals with the manner in which any member or group of members desiring to set up a project for research on the practical application of atomic energy may do so. It provides for the Agency to establish criteria to determine the usefulness of a project, its feasibility, financing, et cetera.

Article XII—"Agency safeguards"—was one of the more difficult articles to work out, because many of its clauses could be interpreted as coming at least close to infringement of sovereignty in those countries where this is an unduly sensitive matter. May I read some of the appropriate parts of it.

A. With respect to any Agency project, or other arrangement where the Agency is requested by the parties concerned to apply safeguards, the Agency shall have the following rights and responsibilities to the extent relevant to the project or arrangement:

1. To examine the design of specialized equipment and facilities, including nuclear reactors, and to approve it only from the viewpoint of assuring that it will not further any military purpose, that it complies with applicable health and safety standards, and that it will permit effective application of the safeguards provided for in this article;

3. To require the maintenance and production of operating records to assist in ensuring accountability for source and special fissionable materials used or produced in the project or arrangement;

5. To approve the means to be used for the chemical processing of irradiated materials solely to ensure that this chemical processing will not lend itself to diversion of materials for military purposes and will comply with applicable health and safety standards; . . .

6. To send into the territory of the recipient State or States inspectors, designated by the Agency after consultation with the State or States concerned, who shall have access at all times to all places and data and to any person who by reason of his occupation deals with materials, equipment, or facilities which are required by this Statute to be safeguarded, . . .

This is the section which understandably presented some difficulty.

7. In the event of non-compliance and failure by the recipient State or States to take requested

corrective steps within a reasonable time, to suspend or terminate assistance and withdraw any materials and equipment made available by the Agency or a member in furtherance of the project.

Article XIII—"Reimbursement of members"—simply provides for members being reimbursed by the Agency for materials supplied.

Article XIV deals with finance. This was one of the controversial articles in the statute. It is interesting to note that the Canadian representatives in the conference of last September played a leading role, since the financial provisions adopted were essentially those put forward by the Canadian delegation. The difference of opinion which made this article controversial was between those who wished to use the financial lever as a means of controlling the Agency to the point of ineffectiveness and those who wished to see it thrive under proper financial controls.

Provision was made as follows:

A. The Board of Governors shall submit to the General Conference the annual budget estimates for the expenses of the Agency. To facilitate the work of the Board in this regard, the Director General shall initially prepare the budget estimates. If the General Conference does not approve the estimates, it shall return them together with its recommendations to the Board. The Board shall then submit further estimates to the General Conference for its approval.

B. Expenditures of the Agency shall be classified under the following categories:

1. Administrative expenses: These shall include: (a) Costs of the staff of the Agency other than the staff employed in connection with materials, services, equipment, and facilities referred to in subparagraph B-2 below; costs of meetings; and expenditures required for the preparation of Agency projects and for the distribution of information; . . .

2. Expenses, other than those included in subparagraph 1 of this paragraph in connexion with any materials, facilities, plant, and equipment acquired or established by the Agency in carrying out its authorized functions, and the costs of materials, services, equipment, and facilities provided by it under agreements with one or more members.

C. In fixing the expenditures under subparagraph B-1 (b) above, the Board of Governors shall deduct such amounts as are recoverable under agreements regarding the application of safeguards between the Agency and parties to bilateral or multilateral arrangements.

In brief, the financial proposals envisage an assessment on the member countries in approximately the same amount as is the case in the United Nations, and the special projects which may be set up are expected to be financed by special financial provisions and recovered from the countries participating in the project, as far as that may be possible.

Article XV "Privileges and immunities"—makes provision for the Agency to enjoy in the territory of each member such legal capacity privileges and immunities as are necessary for the exercise of its functions.

Article XVI, which deals with relationship with other organizations, authorizes the

Board of Governors with the approval of the General Conference to enter into agreements between the U.N. and other organizations whose work is related to the Agency.

Article XVII deals with the settlement of disputes and makes provision whereby disputes which cannot be settled by negotiation may be referred to the International Court of Justice.

Article XVIII—"Amendments and withdrawals"—sets forth the machinery by which amendments to the statute may be made and how they shall come into force. It also covers the procedures by which a member may withdraw from the Agency.

Article XIX—"Suspension of privileges"—provides that a member of the Agency which is in arrears with its dues for a period of two years may be prevented from voting in the sessions of the Agency. The article also sets forth the terms under which a member State which consistently violates the provisions of the statute may be suspended from the exercise of the privileges of membership by the General Conference acting by a two-thirds majority of the members present and voting upon recommendation by the Board of Governors.

Article XX—"Definitions"—spells out in detail the definition of terms such as "special fissionable material", etc.

Article XXI—"Signature, acceptance and entry into force"—provides for the statute coming into effect when 18 members have signed the instruments of acceptance and deposited the instruments with the Government of the United States. It further makes provision for the depository Government to inform all States signatory to the statute of the dates on which additional States become parties to it.

Article XXII—"Registration with the United Nations"—makes provision whereby the statute is to be recorded by the depository government, that is the United States Government under article 102 of the United Nations Charter.

Article XXIII—"Authentic text and certified copies"—states that the statute shall be provided in the Chinese, English, French, Russian, Spanish languages.

Honourable senators, in conclusion it can be said that this statute represents one of the constructive and hopeful phases of the work of the United Nations. It is desirable that it should be approved as soon as possible in order that Canada can take her rightful place as one of the leading powers in the development of the peaceful uses for atomic energy at an international conference to be held on the subject this fall.

It is interesting to note that an International Conference on Radio Isotopes and Scientific

Research is to be held in Paris from September 9 to 20, 1957. This is a further reason why this statute should be formally approved by the Government of Canada.

It is to be hoped that the constructive proposals represented by this statute will commend themselves to honourable members, and that the motion before the Senate will receive unanimous endorsement.

Hon. Senators: Hear, hear.

The motion was agreed to.

CANADA'S FOREIGN POLICY

RESOLUTION OF APPROVAL

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Croll, seconded by Hon. Mr. Farquhar:

That this house approve Canada's foreign policy, with particular reference to its policies with respect to the Middle East, Hungary and aid to underdeveloped countries.

Hon. L. M. Gouin: Honourable senators, first of all I wish to congratulate very sincerely our senator from Toronto-Spadina (Hon. Mr. Croll) upon his eloquent and so well documented address of yesterday. We all know that he played an important part as a member of the Canadian delegation at the United Nations during the last meeting of the General Assembly, and that the three and a half months which he spent there proved to be for him a most fruitful and interesting experience. Personally, I was anxious to hear a report from the mover of the motion which is now before us, and I am glad that he chose to make this address in this house instead of before the Standing Committee on External Relations. I believe that in this way it will reach a much larger audience.

As I have the honour to be chairman of the Committee on External Relations, and as I do not assume that I shall be reappointed at the beginning of next session, I want by way of introduction to make a few remarks concerning the role which this house can play in the discussion of international matters either in this chamber or in the committee.

The specific purpose of the Committee on External Relations is, I believe, to study what I would call political treaties, such as the Charter of the United Nations, the treaty setting up NATO, any defence agreements, and so on. In the past the committee also acted as, so to speak, a subcommittee of our Finance Committee when, under the very able chairmanship of the honourable senator from Churchill (Hon. Mr. Crerar), we were making a general survey of the expenses of departments. I submit that at the beginning of next session we could consider two questions.

First, whether it would be possible to work in close co-operation with the Committee on External Affairs of the other house. I know that the members of the other house are justly jealous of their right of initiative in financial matters but when, session after session, we lose the opportunity of hearing the Secretary of State for External Affairs when he appears before the committee of the other house, it is almost impossible to find a definite week when he will be available to attend here. All honourable senators know that the Secretary of State for External Affairs has been delighted to appear before our committee whenever we have invited him, and that he has proved most co-operative; but he spends a great deal of his time abroad—at the United Nations, at NATO, or at conferences elsewhere—and very often it is simply impossible for him to come and address our committee. For instance, at the present time the session is, I think, too advanced for us to entertain the idea of holding a meeting of our committee in order to have an opportunity of hearing Mr. Pearson.

I would remark also that during recent years treaties which were not of a political but of a commercial nature—trade agreements, and so on—were referred to other committees, and especially to the Committee on Trade Relations, where very useful and interesting work has been done in relation to international matters, but from an economic point of view. I say this to make it clear that the Senate has never ceased to be active and interested in international affairs in every field.

My second suggestion is that at the beginning of next session we could consider the advisability of asking every year the Secretary of State for External Affairs to appear before this house to make a general statement concerning the foreign policy of our Government. All I have in mind is to try to find some method which would enable the Senate to discuss international affairs, in a more satisfactory way, and to make sure also that our Canadian public is adequately informed of our debates on such matters.

These introductory remarks are more or less like a "swan song" for myself, and I wish to thank all those who have contributed in the past to my appointment to our Committee on External Relations, and especially those who have given me very cordial co-operation. I mention particularly our leader on this side of the house (Hon. Mr. Macdonald), as well as the Leader of the Opposition (Hon. Mr. Haig); my predecessor, our senior colleague from Ottawa (Hon. Mr. Lambert), and our senator from Cariboo (Hon. Mr. Turgeon); and there are others.

Honourable senators, when we look at the part played by Canada in international affairs we can use the expression of our Prime Minister and with a just pride we can say: It is great to be a Canadian. Thanks to the eminent statesman who is at the head of our Government, and his very able Secretary of State for External Affairs, Canada is now known the world over as a peace-loving nation, a nation which always contributes effectively and positively to the sacred cause of peace. To that cause we do not pay merely lip service. Our Prime Minister has been a genial ambassador of good will at all the Commonwealth conferences in London and at all his meetings in Washington, in Bermuda and Paris, as well as in India and other countries of Asia. Thanks to Mr. St. Laurent, our policy, whether in domestic or in external affairs, is truly Canadian—a policy of the good neighbour, a policy of human brotherhood. Our Prime Minister has devoted his very remarkable intelligence, his outstanding experience and ability, and all his heart and soul to making the twentieth century Canada's century. He has left his own personal mark—I would say, his fingerprints—on our Canadian policy as a whole.

But in international matters Canada has given to the United Nations and to mankind at large a most extraordinary envoy and admirably gifted diplomat in the person of Mr. Pearson. He fully deserves all the compliments which were paid to him yesterday by our honourable colleague from Toronto-Spadina (Hon. Mr. Croll). Really, I cannot say anything more. Mr. Pearson has contributed more than anybody else at the United Nations to finding a positive and practical means to restore peace with honour in the Middle East, and to preventing the conflict there from degenerating into a third and last world war. Mr. Pearson believes ardently and deeply in the rule of law in international matters but, with his clear sense of justice, he wants to secure the respect and fulfilment of their obligations by all the United Nations, not only by some of them. His goal is to achieve a real settlement of the dispute. Quite rightly he was opposed to sanctions which would have been applied with discrimination and which would not have proved at all to be a remedy. In fact, in my opinion, they would have been monstrously unjust. Peace had to be restored and, once restored, it had to be preserved. Peace cannot be maintained within our own borders without the presence of an adequate police force. So it is that in international affairs the continuance of peace can be secured only by an international police force. As stated yesterday, Mr. Pearson is really

the grand architect of the United Nations Emergency Force which is now patrolling the frontier between Egypt and Israel.

Honourable senators, may I very briefly refer now to the fundamental principles of the United Nations Charter on the subject which I am now discussing?

Under section 33 of the U.N. Charter, all members have undertaken to settle their disputes by peaceful means. They have also pledged themselves to supply the necessary contingents whenever the Security Council, under section 43, decides to use force in order to restore peace. The use of force by any individual state is now expressly limited to repelling aggression, under section 51. With the use or, I should say, the abuse of the so-called right of the veto in the Security Council, some intolerable situations have arisen. In particular, no action can now be obtained through the Security Council to secure for Israel the respect of her right to use the Suez Canal and to have access to the Gulf of Aqaba. Egypt has ignored the resolution adopted on September 1, 1951, by the Security Council, asking Egypt to cancel the restrictions illegally imposed by her upon Israeli shipping. Eleven nations raised their voices in protest against the flagrant violation of Egypt's obligations; but nothing was done, and even today the canal and the Straits of Tiran are still closed to Israel. Border raids from the Gaza strip have been repeated thousands of times since the armistice of 1949. Egypt still revendicates her rights of belligerency, and such is her position in blocking the Straits of Tiran.

Egypt pretends to close the Suez Canal to Israel "to secure her own defence and to maintain public order", and she invokes article X of the Convention of 1888. No more futile pretence has ever been raised to justify a flagrant illegality. Last year Israel considered that her very survival was at stake and she used armed force to secure the respect of her rights which she could not obtain otherwise. That military intervention resulted in a brilliant victory, the rapid conquest of the Gaza strip and of the Sinai Desert, and the occupation of the Straits of Tiran.

At the same time Great Britain and France intervened in Egypt for the avowed purpose of forcing that country to comply with her obligations concerning the Suez Canal under the Convention of Constantinople of 1888. This Convention, as honourable senators know, is based upon three fundamental principles. First, the canal is to remain open to merchant shipping of all nations at all times, in wartime as well as in peacetime. Secondly, free navigation is to be allowed also for warships, provided they do not stop in the canal

and do not unload troops or material. Thirdly, the neutralization of the canal is proclaimed, and in wartime it can be neither blocked nor attacked.

Until 1968 *La Compagnie Universelle du Canal de Suez* was to enjoy a concession for the exploitation of the canal. That concession was granted by Turkey about 1869, when Egypt was still a Turkish vassal. But that does not in any way justify Egypt in treating the concession and the Convention of 1888, signed on her behalf by Turkey, as no more than scraps of paper, and in nationalizing the canal in 1956. The respect of treaties—*Pacta sunt servanda*—is the very basis of international law and of the United Nations Charter. No doubt Egypt is now a sovereign state, but her sovereignty does not exempt her in any way from complying with the treaties which are binding upon her.

It would indeed be a great fallacy to describe Egypt as an innocent victim of aggression. Since 1949, 11,873 incidents of Arab sabotage and marauding have caused 1,335 Israeli casualties. I quote those statistics from a pamphlet just issued by the United Zionist Council of Canada, concerning violations of the armistice agreements by the various neighbours of Israel. Israel, indeed, has as much right to her existence as any other state in the world. Egypt has as much obligation to respect the rules of international law as any other state. The ships of Israel have the clearest right to pass through the Suez Canal and the Straits of Tiran. Israel is entitled to prevent guerrilla warfare along her boundaries. The Suez Canal is also a life-line for Great Britain, France and Western Europe.

Justice had to be done. But the military action of Israel, Great Britain and France undertaken last year was not in accordance with the United Nations Charter. A withdrawal of their forces was imposed by the United Nations upon those three powers. We all assumed that steps would be taken to restore effectively peace in the Middle East. To achieve that noble purpose, we all trusted the powerful and generous nation, our very friendly neighbour to the south, the United States. But time passes, and all concessions have to be made by Great Britain, France and Israel. International law is enforced upon our friendly allies, not upon either the Arab world or the U.S.S.R. How long can such a situation last? How long will the United Nations Emergency Force be tolerated in Egypt? The present force is almost only a token force. An effective international force was contemplated by article 45 and following articles of the United Nations Charter. But the abuse of the veto power has again rendered impossible the establishment of a permanent force. Therefore, Mr. Pearson is

absolutely right in advocating the setting up of such a permanent force. It should be endowed with sufficient power to inspire the respect of any transgressor of international law.

Yesterday, our senator from Toronto-Spadina (Hon. Mr. Croll) expressed the wish that such an international force would come into existence before it is too late. I hope with all my heart that all nations will realize that peace is the greatest of all blessings, and that Almighty God will help us to find some way to prevent another war. Peace and war begin in the minds of men. The senator from Toronto-Spadina described our policy of mutual aid to underdeveloped countries as an investment in peace. Here I must mention the visit to South-East Asia by our Minister of National Health and Welfare, the Honourable Paul Martin. He was welcomed everywhere as the worthy representative of Canada. I want to congratulate Mr. Martin upon his unsparing and very successful efforts in the international field of economic and social co-operation, and particularly upon his fine work on the Economic and Social Council of the United Nations. We were all glad to note that two members of this house, the honourable senator from Wellington (Hon. Mr. Howard) and the honourable senator from Cariboo (Hon. Mr. Turgeon), took an active part in the work of the Economic and Social Council at previous sessions.

Yesterday the honourable senator from Toronto-Spadina spoke also of the desire of underdeveloped countries to build schools and to secure for all their young people the facilities of primary education. I believe also in such intellectual co-operation. Ignorance engenders prejudices. Instruction properly given is, in my opinion, the best means to combat war. It is just like light which dissipates darkness. We already supply technical assistance under the Colombo Plan. Students from various parts of the Commonwealth come here to study especially engineering, agriculture and various applied sciences. But UNESCO also is accomplishing a wonderful job in the field of world-wide intellectual co-operation. With the foundation of the Canada Council our country will now be able to participate fully in the good work of UNESCO. Our council will facilitate exchanges of students between Canada and other countries. Thus we shall have broader human relations; we shall know people from other lands better, and they in turn will know this great Canadian land of ours and our excellent population better. The Canada Council can be a wonderful instrument for peace, and an excellent agency for promoting

the humanities, the arts and the social sciences, not only for Canadian scholars but also for others. Thus we shall be better able to appreciate the spiritual treasures of mankind at large, to realize all that we have in common as the sons and daughters of our Father Who is in Heaven, as the children of the One and Only Creator.

May brotherly love, not hatred, inspire all nations in the days to come, and may we have at last peace in our time.

Hon. Senators: Hear, hear.

The motion was agreed to.

The Senate adjourned until Monday, April 8, at 8 p.m.

PRIME MINISTER'S STATEMENT

A message was received from the House of Commons on April 3rd to the effect that the Prime Minister had introduced the Bill to amend the Income Tax Act, 1957.

The Hon. the Speaker: Honourable senators, when this bill is read the second time, Hon. Norman P. Lamont, Minister of Finance, will move that it be read the second time now.

The bill contains three short amendments to an act entitled "The Income Tax Act," passed in 1956. The purpose of the bill is to extend the legislation for another year, namely, from September 1, 1957, to June 30, 1958.

The first amendment relates to the maximum limit on an individual's gain product. This limit has been limited to \$1,500 but the bill provides that up to \$2,000 may be loaned through any branch of a chartered bank to gain producers during the year designated here as extending from September 1, 1957, to June 1, 1958.

The second amendment provides that the rate of interest which is now 5 per cent shall be left for the determination of the Governor in Council. This means that the rate would possibly be higher than 5 per cent but not higher than the current rate of interest being charged by banks for similar loans.

The third amendment extends by one month the period for making loans setting the year-end of September 1 instead of October 1, as it has been under the legislation in the two previous crop years.

The additional \$1,500 provided for in this bill is a further extension of the limit on the amount of loans which may be made to farmers and ranchers to that elevator loans in the amount of the extension provided in the amount in which they have not to that extent have not been or limited under the

THE SENATE

Monday, April 8, 1957

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

Prayers.

Routine proceedings.

PRAIRIE GRAIN PRODUCERS INTERIM FINANCING BILL

FIRST READING

A message was received from the House of Commons with Bill 263, an Act to amend the Prairie Grain Producers Interim Financing Act, 1956.

The bill was read the first time.

SECOND READING

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

Hon. Norman P. Lambert: Honourable senators, I move that this bill be read the second time now.

The bill contains three short amendments to an act entitled "The Prairie Grain Producers Interim Financing Act", passed in 1956. The purpose of the bill is to extend the legislation for another crop year, namely, from September 1, 1957, to June 1, 1958.

The first amendment relates to the maximum loan to an individual grain producer. This loan has been limited to \$1,500, but the bill provides that up to \$3,000 may be loaned through any branch of a chartered bank to grain producers during the year designated here as extending from September 1, 1957, to June 1, 1958.

The second amendment provides that the rate of interest, which is now 5 per cent, shall be left to the determination of the Governor in Council. This means that the rate would probably be higher than 5 per cent but not higher than the current rate of interest being charged by banks for similar loans.

The third amendment extends by one month the period for making loans, setting the opening date at September 1 instead of October 1, as it has been under the legislation in the two previous crop years.

The additional \$1,500 provided for in this bill is really intended to benefit those farmers and producers who have not been able to deliver much grain to their elevator points on account of the congestion prevailing in the areas in which they live, and to that extent have not profited or benefited under the

regulations to the same extent as some other producers have done where delivery quotas have been larger. The provision for an extra \$1,500 up to a \$3,000 maximum loan undoubtedly will apply to those producers whose delivery quotas have been kept down to the low figures of 2 and 3 bushels per acre of their harvested crop area.

Of the 2,000 odd western country elevator points where farmers deliver the vast bulk of their grains, 165 were as at the middle of March this year on a 5-bushel-per-acre delivery quota. In addition to that number, 425 were on a four-bushel basis; but around 1,500 points have been and are now on a 2- to 3-bushel delivery quota.

The experience during the past two years in connection with this legislation is that loans that have been extended have been repaid out of the crop that these loans have been intended to finance. It is interesting also to note that the number of loans in relation to the total number of producers has not been large, and have not been renewed to any great extent at all. In the 1955-56 year there were 10,326 loans paid through the chartered bank branches of Canada, amounting to somewhat less than \$8 million. So far in the current year, 1956-57, which leads to the end of July, 5,034 loans have been negotiated, amounting to a total of \$3,498,000. In those past two years, therefore, while this legislation has been in effect the total amount of the loans that have been negotiated through the branch banks of the country is about \$11 million or \$12 million.

The bill provides that if an earlier loan is not repaid by September 1, no further loan can be negotiated. In other words, the new loans that will be negotiated during the coming year, 1957-58, will be made only to those who either have had no loans at all in the past, or to those who have borrowed in the past year and will have paid off their loan before October. So if an earlier loan has not been repaid by September 1 of this year, the borrower on a note could still deliver some new crop wheat, pay off his loan by October 1, and proceed to get a new loan. In that way he can accommodate himself to the proposed change in the legislation.

I may say, honourable senators, that this legislation is being advanced as a result of general representations by the leading grain-producing organizations in Alberta, Saskatchewan and Manitoba. Copies of the correspondence exchanged in connection with the negotiations were tabled by the minister in the other house during the discussion on this bill in committee, and it was made quite clear that the desire on the part of the producer organizations was to have this legislation approved by Parliament in plenty of

time to be taken advantage of by some 1,500-odd producers, to whom I have referred, who are still delivering grain on the basis of 2 or 3 bushels per acre and will undoubtedly require some financial assistance at the beginning of the harvesting season.

The situation which this legislation was designed to meet in 1955-56 and in 1956-57, and which still exists, has arisen, as honourable senators know, as a result of the extraordinary bounteousness of nature in conferring upon this country an unprecedented series of very large harvests, even beyond the capacity of our interior country elevators and our large terminals in all positions to accommodate.

As a commentary upon this condition it is interesting to note that over a 35-year period, from 1921 to 1956 inclusive, the western Canadian wheat crop has averaged only 16.6 bushels per acre. Twelve of those 35 years were below the average figure, and nine years were above it. Of those nine abnormal years with crops far above the average yields, six have followed each other in a row since 1950. The other three years came during the first seasons of the forties.

This legislation is of a temporary nature, being passed as it is year by year in the hope that the grain producers' financial problem will at least be relieved, and it is rather risky to make prognostications where western grain crops are concerned. In spite of that risk, it is interesting to note that present soil and climatic conditions which apply throughout the whole central and northwestern regions of this continent are such that with the rule of averages as shown in the statistical record of the past 35 years, one might not be too far wrong in suggesting that by this time in 1958 our total carry-over of grain will not greatly exceed the economic requirements of this exporting country. If this be so, the financial problems represented in this bill will have changed very substantially.

This bill was discussed at some length in the other house and discussion was largely on whether or not the measure went far enough or whether more generous credit should be provided. There were no very concrete suggestions—certainly no practical suggestions—for providing a plan contrary to the one contained in this bill.

Honourable senators, these are all the explanations that I have on second reading. If there are any questions on the bill and if it is desired to have them answered in committee by the gentleman who answered questions on the Wheat Board Bill earlier in the session, I shall be glad to move that the bill be referred to committee. But if the bill is

acceptable as I have tried to explain it, I would like to see it given third reading tonight.

Hon. Felix P. Quinn: Honourable senators, I have no authority to speak on behalf of the Opposition with regard to this legislation or any other legislation which may come before us in the closing hours of the session. My honourable friend to the right of me, the senator from Ponteix (Hon. Mr. Marcotte), has more right to speak than I—he is my senior as a senator and he is also my senior in years—but he has not indicated any intention to do so. I can only say that those who are qualified to pass on this legislation have given their opinion regarding the need for it and should know what they want. I am not qualified in any way to discuss matters pertaining to agriculture and therefore I offer no objection to the bill. However, I think it should go to committee, if the sponsor (Hon. Mr. Lambert) so desires.

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

THIRD READING

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

Hon. Mr. Lambert: I move the third reading now.

Hon. Mr. Quinn: I understood the honourable gentleman to say he would move that the bill be referred to a standing committee.

Hon. Mr. Lambert: I offered to do so if there was any desire on the part of honourable senators to ask for further information. I have no objection whatever to that procedure.

Hon. Mr. Quinn: In those circumstances I have no objection to third reading being given now.

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

INCOME TAX BILL

FIRST READING

A message was received from the House of Commons with Bill No. 407, an Act to amend the Income Tax Act.

The bill was read the first time.

SECOND READING

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

Hon. John J. Connolly: I move the second reading now.

Honourable senators, the Income Tax Act comes before us every year for amendment. This bill contains some 22 sections. Very few of these sections relate one to the other. There is as a consequence no general principle running through the bill, except perhaps the principle of amending the Income Tax Act. I do not mean by that that it is an unprincipled bill! I do mean, however, that there are separate and special considerations which must be given to almost every one of the individual sections in the bill. If honourable senators would not mind, it seems to me that it would be more helpful and perhaps a little more logical if I were to start discussing the bill first by considering the most important section in it. As I conceive it, that is section 17. It deals with registered retirement savings plans.

As honourable senators are aware, for many years the Income Tax Act has recognized the principle of pension plans. By this principle, employees are enabled to postpone the tax payable on certain portions of their income which are paid in to a trustee by them under a pension plan. This money is invested, and when the employee reaches a certain age, or at his retirement—depending on the provisions of the plan—the proceeds of this investment plus his payments into the plan are paid to him in instalments, usually for the balance of his life. That is the general principle of a pension plan.

Such plans are available in industry, and also under the Civil Service Superannuation Act and other legislation. But there is a broad area wherein this privilege has not existed, and which is best described by calling it an area occupied by people who are self-employed. For a number of years organizations such as the Institute of Chartered Accountants, the Canadian Bar Association, the Association of Professional Engineers, the Canadian Medical Association and other professional organizations, as well as small merchants and people more or less in that business category, have been urging that some steps be taken to enable them to embark upon a savings program permitting tax-free payments into a fund from which annuities in later life will be paid. The provisions of section 17 of this measure are designed to do just that.

The discussion in the other place indicated that perfection is not expected from the provisions at present before Parliament. Similar action has been taken recently in England, and attempts to legislate along the same line have been made in the Congress of the United States. As the proposals embodied in this bill are new, they must be tested by experience, but it seems to me that they are

a step toward filling a long-felt need. As they are explained and understood it will be apparent, I believe, that the plan is not a form of class legislation, available solely to professional or business groups. It is open to all Canadian citizens, including those who are even now members of a pension plan. However, a ceiling has been placed on the amount which can be set aside tax-free each year to provide for an annuity. As far as possible the legislation has been so drafted as to eliminate ministerial discretion. In other words, all the law, it is hoped, is contained in the bill itself.

The intention is that its operation shall be worked out with agencies like life insurance companies, the federal Government annuities branch, and appropriate branches of provincial Governments which have annuity schemes—for instance, Alberta, I understand, has such a scheme—and with organizations which provide investment contracts—although the mechanics for this type of organization are somewhat different from those contemplated for insurance companies; and, perhaps, with trust companies and other agencies which can qualify to accept the payments and arrange for the issue of annuities. In every case the organization which receives the periodic payments from the taxpayer will invest the money so received. No doubt these investments will be made pursuant to the provisions of the Trustee Act of the province in which the money is invested. At the end of a stipulated period of time the funds will be used to provide regular annuity payments to the contributors. The payment as and when received by the ultimate annuitant will be taxed in his hands. When payments are made into the fund by the taxpayer within the limits provided by the bill they will not be taxable.

Hon. Mr. Hugessen: Is it correct that the provision relating to persons who may operate this retirement savings plan has been somewhat extended since the budget speech was delivered? Was it not originally intended to be done solely by insurance companies?

Hon. Mr. Connolly (Ottawa West): Yes: the provision was extended in the other house to include, as I said, not only insurance companies but companies which issue investment contracts, and also trust companies. There was some mention in the other place of the possibility of banks having the same right, but I believe that enabling legislation will be necessary before they could undertake an operation of that kind. As honourable senators know, the issuance of annuity contracts is not the kind of thing which banks normally can or want to do.

As far as possible I am trying to stay away from the technical provisions of section 17. I think it will be valuable and helpful in understanding the section—at least, it was to me—to have a general understanding of the bill first. With regard to details, officials can be examined before the Banking and Commerce Committee—to which, I suggest, the bill should go.

It is contemplated that moneys paid by a taxpayer to a fund of this kind will be—I may use the expression—locked in. In other words, there will not be any cash surrender value, as the term is ordinarily used in an insurance contract. The money payable will be issued either as an annuity or, if the annuitant has not survived to the beginning of the annuity period, his remaining equity can be disposed of through and to his estate. This disposition through the estate is described, generally speaking, as “a refund of premiums”, and that phrase is defined in section 17. The interest which the taxpayer has in the fund is not assignable; it cannot be commuted nor can it be surrendered for a lump sum payment. The earnings which accrue to the fund before the maturity of the contract are tax-free while they are being made. In other words, trustees receiving premiums will invest them from time to time in revenue-earning securities, and while the revenue remains in the fund in the hands of the trustee it will not be taxable. It will of course be taxed when it is paid out in the form of annuity payments. When the contract matures and the annuitant begins to receive his annuity on retirement, he will then pay tax on it.

Hon. Mr. Isnor: Does that mean he will pay a tax on the amount he paid in plus any earnings which might accrue?

Hon. Mr. Connolly (Ottawa West): Yes. Let us say you make certain periodic payments into one of these contracts until you reach the age of 65. At that time you have a contract which will provide, let us say, a payment of \$200 per month. That payment will include in part the money that you have paid in, plus the earnings that your savings have made. As you get it out at the rate of \$200 per month it will be taxable in your hands.

Hon. Mr. Stambaugh: As income.

Hon. Mr. Connolly (Ottawa West): Quite.

Hon. Mr. Quinn: That would be on the accumulated contributions made by the annuitant and on any Government contribution plus whatever interest is earned?

Hon. Mr. Connolly (Ottawa West): There will not be any Government contribution. These annuities will be purchased entirely by

individuals on a savings basis according to their own annuity contracts.

Hon. Mr. Quinn: There will not be any contributions from the Government?

Hon. Mr. Connolly (Ottawa West): No. Sometimes these annuity contracts will be attached to a contract providing for insurance as well as for an annuity. I understand that the premium paid in this case can be severed on the books of the insurance company concerned; that is to say, the insurance company can say how much of the premium is for insurance and how much is for the annuity contract. The tax exemption in this case will apply only to the portion of the premium which purchases the annuity. It will not apply to the portion of the premium which purchases the insurance.

I should like to say something now about premiums. First of all, equal annual payments are not required. Large payments may be made in one year and small payments in another, and this could depend upon the varying level of the earning of the taxpayer in any given year or upon his desire to save more or less money in a particular year.

Subsection 5 of section 17 sets out the rules which limit the amount of the premium which can be deducted from earned income each year by a taxpayer. For persons who are not now members of any pension plan, the limit will be \$2,500 per annum or 10 per cent of earned income, whichever is less.

It will be noted that only “earned income” can be used for the purpose of determining the amount which can be paid in tax free. Investment income does not count. For persons who are now members of a pension plan the combined contributions to an annuity contract as envisaged by this section, and the pension plan of which he is now a member, shall not exceed the lesser of 10 per cent of his earned income or \$1,500. I think the \$1,500 limit mentioned here is in some way related to the fact that that is the maximum amount which can be paid in to a pension plan by an employer.

Honourable senators, I think it is obvious the plan provides that the income tax to be paid on the savings made by the taxpayer will be paid in the years in which he receives his annuity payments from the contract. If, however, the taxpayer does not survive to receive annuity payments, his estate, as I have already said, will get a return of premiums plus whatever earnings his savings have made to the time of his death. This refund at his death may be returned to his estate in a lump sum payment. If the estate receives the refund of premiums, the refund will be taxed at the rate of 15 per cent, which happens to be the lowest tax rate at the present time on personal income.

The bill provides that premium payments, in order to be tax free, must be paid into a "registered" plan; that is to say, a plan that has been approved by the Department of National Revenue. Otherwise the taxpayer will pay income tax on any amount which he may put into a plan.

If a plan or contract is voided by a taxpayer and does not qualify as a registered plan, and if the trustee is called upon to refund, in a lump sum or otherwise, the amounts paid in by the taxpayer under the bill, the trustee is required to withhold 25 per cent of the refund on account of tax.

Hon. Mr. Isnor: Would the honourable senator explain what is meant by "if a plan does not qualify"?

Hon. Mr. Connolly (Ottawa West): Let me say for the sake of argument that the taxpayer, a Canadian citizen, began to make payments under an annuity contract which he believed to be an approved contract, that is, a plan registered with the Department of National Revenue. If for some reason the plan had not actually been approved by the Department, then the payments that he might claim exemption for in the year in which he made them—up to \$2,500 or 10 per cent of his earned income—would not be payments upon which he could claim a tax deduction. In other words, it is important for every person who buys such an annuity to make sure that the plan is one which has been approved by the Department of National Revenue. Does that answer my honourable friend?

Hon. Mr. Isnor: It does, except that I would make this point: I was under the impression that all insurance companies, before entering into a contract in regard to pensions, applied to the Department of National Revenue for approval of that particular plan.

Hon. Mr. Connolly (Ottawa West): Certainly the kind of insurance companies we have in Canada would do this. I should think there would be no question that annuity contracts under this scheme sold by insurance companies would be approved plans. But not only insurance companies are going to be able to qualify for the purpose of selling such annuity contracts, and therefore I think it is wise for us to realize now, and perhaps for the public at large to realize, that before embarking upon any one of these plans they should be very sure that the plan is what is known as a "registered" plan; in other words, a plan approved by the Department of National Revenue.

I thank the honourable gentleman for raising the point, for I think it is a good point to emphasize in the interests of the public at large.

Hon. Mr. Hugessen: Would my honourable friend tell us what happens to the accumulated premiums paid by a man who starts contributing to one of these plans and for some reason is unable to continue?

Hon. Mr. Connolly (Ottawa West): Well, if he intends to void the plan, to void or break the contract, or to make the contract unacceptable to the department, then I think the result in that case would be the same as would obtain in a similar situation with a Government annuity. In other words, they would probably change the contract and give him an annuity which he could otherwise buy for the money he had up to that time contributed.

Hon. Mr. Hugessen: But, on the other hand, if he claimed the premiums back, then I think my honourable friend said 25 per cent of the refund would have to be retained by the operator of the plan and paid as income tax. Is that right?

Hon. Mr. Connolly (Ottawa West): Yes. There is a little confusion in my mind on that point. Certainly, if the plan were voided and became annulled and he asked to have his payments back, and he was entitled to have them back, then they would come back to him, less a deduction of 25 per cent on account of tax.

Hon. Mr. Hugessen: I was not thinking of a plan becoming a nullity, but I was thinking of an ordinary man unable to continue his payments and asking for his premiums back.

Hon. Mr. Connolly (Ottawa West): In that case, 25 per cent withholding deduction would be made, certainly. But as I say, there is a little confusion in my mind on one point, because the rights under these contracts are not assignable, and you cannot borrow upon them, which means that they are locked in and you cannot deal with them. I think perhaps because of the confusion that might arise as a result of the problem suggested by the honourable gentleman from Inkerman (Hon. Mr. Hugessen), that is something which might be investigated in committee. I think I have given the correct answer, but I am not quite sure.

May I say that this bill was only passed in the House of Commons at half past three this afternoon, so I have been a little short of time for adequate study of the measure.

Honourable senators, many people in this country are now paying into annuity contracts. If these contracts comply with the general provisions of this section, and if the taxpayer so elects, payments into the contracts within the limits prescribed, from 1957 onward, can become tax free. Heretofore, payments made into such annuity contracts

have been paid out of "tax-paid" income. That portion of the annuity payment due after the maturity of such contracts which represents the part of the annuity purchased before this legislation became valid, will at that time be free from income tax, except for one thing, and that is the interest earned on the money paid in heretofore. That little portion will be taxed.

Honourable senators, that concludes the explanation of section 17.

Section 18 is designed to encourage further exploration for natural resources in Canada. Heretofore, only mining companies and exploration companies were entitled to charge off against their earnings the expenses incurred in sub-surface exploration. This section applies to companies which process mineral ores for the purpose of recovering metals and which engage in the exploration and development work involved in finding the ores upon which they work. Even if exploration and development is not their principal business, they will be allowed to charge the expense incurred to the cost of doing business. For example, there are smelting companies, and companies which make steel products from ore, which desire to supplement their source of raw material by acquiring their own sources of raw material. Under the provisions of this legislation they will be able to treat the expenditures on such work as legitimate expenses of their company.

Another provision of section 18 allows a Canadian company which acquires the whole Canadian undertaking of a United States corporation engaged in the production of petroleum and natural gas to use the exploration expenses accumulated by such American company in years prior to the purchase. Heretofore, these exploration expenses incurred by a prior corporation could not be used by a successor corporation which bought out the undertaking of the prior corporation. This seems to be a sensible type of provision.

Section 19 provides that when rentals are paid in advance for a number of years to a taxpayer for lands or chattels, it will be permitted to the owner of the land or chattels so rented to spread the rental income over the years for which the payments are received. Without this provision the rental income received from land or chattels would be taxable entirely in the year in which the advance rental was received. Now the owner can set up a reserve and spread the incidence of tax over the years for which the rental was intended to be applied.

Section 20 is a section which was contentious last year.

Hon. Mr. Isnor: Before he proceeds further, may I ask the honourable gentleman

a question? As I understand it, that means that if a lease was entered into for a period of 20 or 30 years the landlord could spread over the revenue received on a yearly basis in so far as the amount is concerned; is that right?

Hon. Mr. Connolly (Ottawa West): Yes, I think that is right.

He receives a lump sum, in advance. For the sake of argument, and since 20 years is a long period of time to use as an example, let us say that a landlord issued a lease for a building to a tenant for a period of five years, and got all his rent the first year. First of all, let me say that this applies to chattels as well as to land. Incidentally, the provision has been in the act now for a number of years in connection with land, and also ships, but not in connection with other chattels.

Perhaps I could answer my honourable friend from Halifax-Dartmouth (Hon. Mr. Isnor) in this way: without this provision of law a landlord who received in 1950 the rental payments covering the period 1950 to 1955 would have to show the total rental receipts in his tax return for the year 1950. That would mean that his revenue would be inordinately increased for that year, and his tax would be proportionately burdensome. It seems therefore equitable that he should be allowed to set up a reserve and spread the income over the years for which the rental was intended to apply.

As I said earlier, section 20 proved to be rather contentious. We provided by the legislation passed last year that the son of a farmer could get the same advantages from the rules governing depreciation whether he bought a farm from his father or from a stranger. This advantage is now being extended to the son of a fisherman who buys a vessel from his father, provided the father owns all 64 shares in the vessel.

Now honourable senators, may I come back to the earlier sections of the bill. I think I need spend very little time on section 1, which simply provides that alimony payments may be deemed to have been made out of "investment income" and not out of "earned income". This offers an advantage to the alimony payer, because it will reduce his "investment income" which as you know, carries a 4 per cent surtax. To that extent he gets relief.

Section 2 also deals with alimony. Under the present law a person who pays alimony under an award made in an action for divorce, for judicial separation or under a written agreement, is relieved from the tax that he would otherwise pay on the amount of the alimony. This amendment would allow

the alimony payer to escape tax on the amount he pays under an agreement made after a divorce or after a judicial separation, or by virtue of a court decision which is given after a divorce or judicial separation.

It appears that in British Columbia an action for alimony may be taken, in addition to an action for divorce. It sometimes happens that the alimony decision is reached after the divorce decision has been made. Because the alimony provision was not part of the divorce proceeding, under the present law the alimony payment was not deductible for income tax purposes from the income of the alimony payer. This amendment would make it deductible.

I understand that there have been cases in Ontario of a divorce having been granted without provision being made for alimony, and subsequently an alimony award was made to the needy former spouse.

Hon. Mr. Dupuis: May I ask the honourable senator if when a man obtains a divorce from his wife he is in law bound to pay alimony to her?

Hon. Mr. Connolly (Ottawa West): That question gave me some concern. But apparently in British Columbia the two proceedings run concurrently and are dependent one upon the other. The fact that the divorce decision happens to come down first would not prejudice the results of the alimony action in so far as the Income Tax law is concerned. I am not a member of the bar of British Columbia and am unable to give my honourable friend a full explanation. I am sure a better explanation can be given by the officials of the department when the bill is considered in committee.

Hon. Mr. Dupuis: Does that situation occur in other provinces—in Ontario, for instance?

Hon. Mr. Connolly (Ottawa West): I do not think any other province follows the practice of having two separate actions, one for alimony and the other for divorce, of the same character as that followed in British Columbia.

Section 3 is intended to assist persons who have pensioners dependent upon them. As honourable senators know, taxpayers are allowed a certain exemption for qualified dependents who are not in receipt of income above a certain level. This section provides that a dependent who is in receipt of a pension under the War Veterans Allowance Act will not be required to include that amount in determining his level of income.

Section 4 is consequential upon section 17, which I explained at some length at the beginning of my remarks. It provides that only income from an annuity is now taxable.

If an annuity is brought within the retirement savings plan the premiums paid on the annuity are deductible in the year in which they are made, and when payments are received by the annuitant the total annual receipts are taxable in the year in which they are received. The same rule applies to pension plans.

Section 5 contains a provision which is of interest only to professional people such as lawyers, doctors, engineers, accountants and others. They will now be allowed to deduct the fees they pay into their particular guild or association. Such an exemption is permitted whether or not it is obligatory for them to maintain that membership as a result of their contract of employment. For example, if I, a lawyer, were appointed deputy minister of some department it might not be necessary for me to maintain my status as a member of the bar. Heretofore, if my contractual arrangement with my employer had been such, I would not have been allowed to deduct the fees I would pay to maintain my position at the bar. Under this proposed amendment, such fees become a deductible item for taxation purposes. Perhaps it will serve to keep some professional persons more honest within their profession than would otherwise be the case!

Subsection 6 of section 4 is of interest in that it provides that farmers, businessmen and corporations who erect wires, poles, pipes, telephones or sewer connections for public utilities of various kinds, may now charge the cost of installing such facilities against the cost of doing business. Heretofore they have never been able to get anything in the way of a capital cost allowance, because they did not own the facility which they installed and for which they paid—it was owned by the public utility company. Under this provision, even though it is owned by the public utility company the person who makes the payment in will be able to charge the cost of the installation as an expense.

Hon. Mr. Isnor: Would that apply to installation of a sprinkler system, or attaching a fire alarm system to your building? Could that be written off as expense?

Hon. Mr. Connolly (Ottawa West): Well I would think a sprinkler system might be incorporated into the realty, and in that event perhaps it would be considered as an addition to the realty and the depreciation you would get would be only as part of the depreciation of the real estate. As to a fire alarm system, that might be in the category of an improvement to the realty, in which event you would get the depreciation in the same way as you would get real estate

depreciation. Perhaps it would be in the category of equipment and the rate of depreciation would of course depend on the class of equipment into which it fell. I think if the honourable gentleman would ask that question of the representatives from the department they would be able to furnish him with the depreciation rates from the official table and tell him exactly what category it fits into. I am afraid I cannot help him much more.

Hon. Mr. Isnor: I will be pleased to do so. The honourable senator is so well posted and has given us such a splendid explanation of this bill that I thought that perhaps he could answer questions from all and on every angle. In connection with a sprinkler system, I would point out that water is of course absolutely necessary in order for it to function. The water must be brought into the building from the lines of the public utility concerned, and I thought there might be some provision covering water lines laid to the building.

Hon. Mr. Connolly (Ottawa West): You mean the water lines coming from the main pipes to the building?

Hon. Mr. Isnor: Yes.

Hon. Mr. Connolly (Ottawa West): They might fall within this section. I was thinking of a sprinkler system within the building itself.

Hon. Mr. Hugessen: Honourable senators, is not this the distinction, that the sprinkler system would belong to the owner of the building and would be part of this building, subject to depreciation in the ordinary way, whereas the payments provided for under this section are payments which the owner makes for the installation of something which never belongs to him at all? They are for the installation of pipes and so on, which belong to the public utility company, and obviously the owner of the building cannot depreciate them as part of his own property.

Hon. Mr. Connolly (Ottawa West): That is undoubtedly true, and I thank the honourable gentleman for his observation. I was going just a little bit further with the honourable gentleman from Halifax-Dartmouth (Hon. Mr. Isnor), and I think I was confusing myself as well as him. However, the question might be answered in detail by the officials from the department.

Section 5 presents some technicalities and perhaps honourable senators won't mind if I stick rather closely to my notes on this. As honourable senators know, dividends received by one Canadian corporation from another

are exempt income in the hands of the corporation which receives them. Hitherto expenses incurred by a holding company to deal with exempt income, that is to say, to earn dividends, were not deductible. By this amendment, when a holding company has more than 50 per cent of its assets in shares—in other words, receives more than 50 per cent of its income in dividends—the expense attributable to this exempt income may be deducted from its taxable income. That might read all right, but it does not sound very good! However, I think there is no heresy in what I have said. It is a little difficult sometimes to follow these things, and I prefer to have the accurate statement on the record.

Hon. Mr. Woodrow: The holding company that you speak of must be a Canadian holding company?

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Hugessen: Would it be better if it was set to music?

Hon. Mr. Connolly (Ottawa West): If the honourable gentleman would sing it, it might be more helpful still!

Section 6 also provides that payments to or for immigrant children in their first year of residence in Canada are assimilated to the position of the family allowances provision in so far as the tax approach to those allowances is made by the parent for the purpose of the Income Tax Act.

Section 7 may be of general interest to honourable senators. Under the provisions of subsection (1) (a) of section 27 of the present act individuals may make charitable donations in each year up to 10 per cent of their gross incomes, and corporations up to 5 per cent of their gross incomes. In some years this limit can be exceeded; and the amendment allows a carry-over of the excess for one year, but it does not increase the allowable percentage in the following year. It will be helpful to an individual who has been overly generous in a given year, and finds subsequently that his total income has fallen off slightly and that he has given more than he was legally entitled to give. Under this provision he can carry over the excess.

The bill contains a provision in the same section with reference to non-profit housing corporations whose buildings are used for the benefit of the aged. I am told that such organizations, particularly in western Canada, have erected buildings with funds most of which came from Central Mortgage and Housing Corporation. Strictly speaking, such bodies are not charitable institutions, because they must make a profit from their operations if they are to pay off their mortgages. However, in a very real sense they are doing works of

charity, and hereafter donations made to such organizations will be classed as "charitable" within the meaning of the Income Tax Act.

Another subsection of section 7 deals with medical expenses. Heretofore the remuneration of a full-time attendant for the taxpayer or one of his dependents has been deemed a medical expense. It is now proposed that costs incurred by a taxpayer for service in a nursing home shall be considered a medical expense. Also the cost of maintaining a mentally-retarded person in a nursing home may be included in medical expenses.

A general provision in subsection 3 of section 7 may be of interest. Charitable donations, medical expenses, union dues, professional membership dues and the like are allowed as deductions, but hitherto, to qualify for such deduction, a voucher had to be supplied. Now, if the sum total of such items is less than \$100, vouchers will not be necessary. If no vouchers are supplied the allowance will be \$100. If the sum total of such expenses exceeds \$100, vouchers must be produced to justify the claim.

Honourable senators, this explanation—and I apologize for having been so long and tedious about it—is my understanding, and I think a reasonably fair understanding, of the provisions of the present amendments of the Income Tax Act. If the bill should receive second reading I shall propose that it be referred to the Standing Committee on Banking and Commerce, probably for attention tomorrow morning.

Hon. A. K. Hugessen: Honourable senators, I have only a few words to say on this bill. I think I am expressing the feelings of every honourable senator present this evening when I offer our thanks and gratitude to the honourable senator from Ottawa West (Hon. Mr. Connolly) for his most able explanation,—

Hon. Senators: Hear, hear.

Hon. Mr. Hugessen:—particularly when we bear in mind the short time that he has had at his disposal to familiarize himself with its rather complicated provisions.

I want to voice my own view as welcoming the introduction of this form of registered retirement savings plan, to which the honourable senator from Ottawa West devoted a good deal of the earlier part of his remarks. As he said, over the last few years there has been, on the part of corporations, a great and increasing tendency to introduce pension plans—mostly contributory—for the benefit of their employers. Under the provisions of the Income Tax Act, as amended from time to time, contributions of employer and employee to these plans, within certain limits,

have been exempt from income tax or have been allowed as a deductible expense for the year in which they were made. The result has been that to an increasing extent employees of corporations have received an advantage which has not been open to people whom one may generally refer to as being self-employed, such as doctors, lawyers, accountants. There has been no method whereby anybody who is his own master, who does not happen to work for a corporation, has been able to set aside a certain part of his income every year, tax free, for the purpose of providing a pension for himself in his old age. For some years past representations have been made to the Minister of Finance with a view to the introduction of some sort of system which would rectify that injustice. For a long while it was supposed that such a plan would be very difficult to work out. I believe that the plan now before us results largely from the fact that last year a similar scheme was introduced in Great Britain; and if I am not mistaken, the scheme set out in section 17 of this bill is based very largely on the British act. Is that not so?

Hon. Mr. Connolly (Ottawa West): I think so.

Hon. Mr. Hugessen: The honourable senator from Ottawa West has told us that this bill is to a certain extent in the nature of an experiment, and it may well be that in the working out of this section it may be found necessary to change it in order to improve it, and that there will be some loopholes which it may be desirable to plug up. But I think that, generally speaking, we should welcome this proposal. I think it is a fair and just proposal and will be for the benefit of a large class of people in this country who up to the present time have not been able to provide for pensions for their old age in the way that such pensions ought to be provided.

Hon. Gordon B. Isnor: Honourable senators, I should like to add a few words in praise of the explanation of this bill by the honourable senator from Ottawa West (Hon. Mr. Connolly). I agree with the honourable senator from Inkerman (Hon. Mr. Hugessen) that this legislation is a step in the right direction. Pensions have become the order of the day for large organizations, and now the individual is being given a similar opportunity. I was not quite clear about the meaning of the term "earned income". I take it that that would mean income from salaries only. I was wondering what position an individual would find himself in if he contracted to make certain payments and, after making them for a number of years, suddenly found

he had to use a portion of his savings or reserve in order to keep up the payments. Would that portion of his saving then be in the same category as an earned amount?

The honourable senator from Ottawa West mentioned doctors and lawyers. Down our way we are also interested in fishermen and the farmers. I suppose the benefits of this legislation will be available to them.

Hon. Mr. Connolly (Ottawa West): I am glad that the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) has raised this point. This kind of legislation was resisted for a number of years on the ground that it was class legislation for professional people and for certain categories of business people who are generally described as "self-employed". When the scheme was embarked upon and when this provision was drafted, apparently it was accepted on the ground that it would not be available to certain specific classes only. Anybody in the country is entitled to embark upon it. Any taxpayer can come under it. Fishermen, farmers and even people already members of pension plans may take advantage of it. Any person is entitled to participate in this scheme of providing for his own needs in his later years. I would not want to under-emphasize that fact for a single moment. Any taxpayer can take advantage of the provisions of this scheme.

With respect to my honourable friend's question as to what is meant by "earned income", I would say that in the first place "earned income" is all income other than "investment income". To be more specific, earned income is defined in detail in section 32 of the act, and that definition has been amended in section 9 of the bill. I do not propose to read the appropriate section because it is too long, but the honourable gentleman will see there that it includes superannuation or pension benefits, retirement allowances and things of that character as well as salaries or wages.

Hon. Mr. Isnor: Thank you.

Hon. Mr. Taylor (Westmorland): Paragraph 3 of section 7 of the bill has to do with the exemption of \$100 in lieu of claiming any deduction for medical expenses, charitable donations, and so on. If my memory serves me correctly, under the present Income Tax Act we are permitted a certain amount of deductions with respect to charitable donations to churches and such charitable organizations as the Red Cross and the Salvation Army, and such purposes as the tuberculosis drive. In my case, and no doubt in the case of all honourable senators, the donations

amount to considerably over \$100. I understand the deduction for charitable donations cannot exceed a certain percentage of total income.

Hon. Mr. Connolly: Ten per cent.

Hon. Mr. Taylor (Westmorland): I wonder how this new provision applies. Is it in lieu of the present provision?

Hon. Mr. Connolly (Ottawa West): Perhaps I did not make myself clear on this point. You as an individual are allowed to make charitable donations to the extent of 10 per cent of your gross income and to get credit for them if you have receipts from organizations which are recognized as charitable organizations by the department. In the case of an individual taxpayer, if his charitable contributions were less than \$100 and he did not bother getting receipts, he would be entitled to a \$100 deduction. The purpose of the amendment, as was explained in the other house, is to avoid a great deal of paper work for the department with respect to those taxpayers who contribute less than \$100 to charitable donations.

Hon. Mr. Lambert: That would make it possible for anyone who did not contribute anything to be credited for \$100?

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Lambert: In other words, it has a general application to all taxpayers?

Hon. Mr. Connolly (Ottawa West): Quite.

Hon. Mr. Taylor (Westmorland): And they do not have to submit any receipts?

Hon. Mr. Connolly (Ottawa West): No.

Hon. Mr. Quinn: They are allowed the credit whether they made any contributions or not?

Hon. Mr. Connolly (Ottawa West): Yes.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), the bill was referred to the Standing Committee on Banking and Commerce.

DOMINION SUCCESSION DUTY BILL

FIRST READING

A message was received from the House of Commons with Bill 410, an Act to amend the Dominion Succession Duty Act.

The bill was read the first time.

SECOND READING

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

Hon. John J. Connolly: I move the second reading now.

Honourable senators, this is a very short bill and I would not detain the chamber to-night with respect to it were it not for the fact that this act is administered by the taxation section of the Department of National Revenue. In the event that it should go to committee it would be more convenient for honourable senators, I think, if both bills were dealt with in the same committee at the same time.

This bill can be explained very simply. The main change is in clause 3. Under the Dominion Succession Duty Act every dutiable estate is subject to duty under two headings, namely, the "initial rate" and the "additional rate". The "initial rate" of duty is based upon the aggregate net value of the estate. The aggregate net value of the estate is the value of the estate after the debts, etc., have been deducted.

I think this can be more readily followed by giving an illustration. Let us say the aggregate net value of an estate is \$100,000. In that case, under the rates of duty applied by this act the "initial rate" would be 4.9 per cent. As well as the initial rate, there is an "additional rate" which is levied upon successions, based upon two factors: one, the amount that passes to any one person; two, the degree of relationship, or lack of relationship, between the deceased and the person who is benefited.

Let me take again the example of an estate with an aggregate net value of \$100,000. Let us say that out of that estate the widow gets a bequest of \$50,000. The rate of duty applicable to her interest would be 6.9 per cent. Let us say the deceased's father gets \$7,000. The rate applicable to his bequest would be 4.2 per cent. Let us say that his brother gets \$10,000. The rate applicable to his bequest would be 5.8 per cent. Let us say the testator leaves \$19,000 to a friend. The rate applicable there—because it is in "the stranger" class—would be 7.4 per cent. And let us say, for the sake of argument, that he leaves \$4,000 to charity. That gift would attract no additional tax. Heretofore the aggregate net value would include the \$4,000 for the purpose of the initial rate of tax. Under this amendment the amount of the charitable gift is removed from the aggregate net value. Therefore in the case of this estate, the aggregate net value, instead of being \$100,000, would be \$96,000, and the

initial rate of duty, instead of being 4.9 per cent, would fall to 4.8 per cent. That is the explanation of section 3.

Clause 4 of the bill deals with an estate which opens in a province which levies succession duties. Only two provinces in Canada levy their own succession duty, namely, Ontario and Quebec. Heretofore the federal deduction allowed for succession duty purposes under the Dominion Succession Duty Act was the lesser of half of the federal duty or the full amount of the provincial levy. Under the amendment proposed by this measure, hereafter the federal authority will levy only 50 per cent of the federal tax on property taxed by the province. This provision is designed to carry out a provision of the Federal-Provincial Tax Sharing Agreements Act, which is Chapter 29 of the statutes of last year.

There is but one exception to this general rule, and that exception favours the province. It deals with estates which have assets which include superannuation or pension rights. The Province of Quebec does not tax these rights. The Province of Ontario allows certain exemptions for these rights. Under the law as it now stands with regard to estates which hold such assets, the federal authorities grant a credit only where the province taxes superannuation or pension rights. Under the proposed legislation the federal authorities will assume that superannuation and pension assets have been taxed by the province in which the succession opens. Accordingly, the federal authorities will reduce its tax bill against the estate by 50 per cent, whether the province in fact taxes these assets or not. In this way the province which imposes such duties will now be free to impose duty on superannuation or pension rights, if any one of them sees fit to do so. If it does, then the federal authorities will collect no more than 50 per cent of the duty payable under the federal act on such rights.

Honourable senators, that is the explanation of this bill.

Hon. Mr. Woodrow: Would the honourable senator from Ottawa West say what is taxed for succession duty purposes in an estate which contains as an asset, or which includes as an asset, either a superannuation or a pension right? Is it the value of the periodic payments, or is it the capital value of the pension or superannuation?

Hon. Mr. Connolly: No; it would be the capital value. When the value of the pension right is determined it would be capitalized for the purpose of succession duty purposes.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), the bill was referred to the Standing Committee on Banking and Commerce.

PRAIRIE FARM ASSISTANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 157, an Act to amend the Prairie Farm Assistance Act.

The bill was read the first time.

SECOND READING

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

Hon. J. Wesley Stambaugh: Honourable senators, I move the second reading now.

The amendments proposed in this bill are few, short and easy to understand.

The purpose of these amendments to the Prairie Farm Assistance Act is to increase the amount of payments to farmers qualifying under the act, and following about the same percentage and ratio of increase in the cost of living and cost of production.

Subsection 1 of section 1 sets up three categories of payment instead of two, and increases the rate of payment in the first two, namely, paragraphs (b) and (c). Paragraph (d) is new.

The present act provides for payment of \$1.50 per acre when the yield is from four to eight bushels per acre, and when the yield is less than four bushels the rate allowed is \$2.50. The new rates would increase the payment to \$2 an acre when the yield is between five and eight bushels per acre, and to \$3 per acre when the yield is between three and five bushels per acre. The new paragraph (d) would provide for the payment of \$4 per acre when the yield is less than three bushels.

The present paragraph (d), which will become paragraph (e), applies to flooded areas only, and in this case the rate is changed from \$2.50 per acre to \$4 per acre.

Subsection 2 of section 1 merely makes the necessary changes in subsections 4 and 5 of section 3 to cover the amendments provided in subsection 1 of section 1.

Section 2 of the bill would change the shape of blocks or sections from rectangular to irregular. That short statement may not be fully understood by those honourable senators who are not familiar with this legislation. To qualify for assistance under this act you must first have a township. A township consists of 36 sections, and is six miles square. Once you have a township you may go anywhere in the area and start

with a half township, or a block of six sections, being one-sixth of a township. Under present provisions, in order to be eligible for assistance such sections must be contiguous to each other and to the township, and be rectangular. But under the proposed amendment the blocks may be of any shape; they may even be in the form of a cross, or two miles west, two miles north and two miles west. That is what I mean by "irregular".

Honourable senators, I think that is sufficient explanation on the motion for second reading of this bill.

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

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

Hon. Mr. Stambaugh: Next sitting.

EXCISE TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 406, an Act to amend the Excise Tax Act.

The bill was read the first time.

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

Hon. Mr. Vaillancourt: Next sitting.

CUSTOMS TARIFF BILL

FIRST READING

A message was received from the House of Commons with Bill 408, an Act to amend the Customs Tariff.

The bill was read the first time.

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

Hon. Mr. Vaillancourt: Next sitting.

EXCISE BILL

FIRST READING

A message was received from the House of Commons with Bill 409, an Act to amend the Excise Act.

The bill was read the first time.

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

Hon. Mr. Vaillancourt: Next sitting.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

FIRST READING

A message was received from the House of Commons with Bill 411, an Act to authorize the provision of moneys to meet certain

capital expenditures of the Canadian National Railways System during the calendar year 1957, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

The bill was read the first time.

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

Hon. Mr. Vaillancourt: Next sitting.

JUDGES BILL

FIRST READING

A message was received from the House of Commons with Bill 416, an Act to amend the Judges Act.

The bill was read the first time.

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

Hon. Mr. Vaillancourt: Next sitting.

NATIONAL FLAG

NEWSPAPER REPORT—PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators, I rise on a question of privilege.

I have in my hand a clipping from the *Le Droit* an Ottawa newspaper, headed:

Pouliot abhorre le "Red Ensign".

Or in English:

Pouliot abhors the Red Ensign.

That is pure imagination. I never said it. All I said was that I preferred the Union Jack to the Red Ensign.

In order that there may be no confusion, and that we may have an opportunity to make a necessary correction, I give the following notice of motion for Wednesday next, April 10:

That, in the opinion of the Senate, Canada should have a distinctive national flag consisting of a large green Maple Leaf (the colour of the House of Commons) as the National Emblem of Canada, on a red background (the colour of the Senate) without any other emblem of any kind on the fly.

On the motion to adjourn:

Hon. Mr. Vaillancourt: Honourable senators, in moving adjournment of the house, I take this opportunity of thanking my colleagues for having made my task as acting leader of the house this evening such an easy and enjoyable one.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, April 9, 1957

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

Prayers.

Routine proceedings.

THE LATE SENATOR McINTYRE

TRIBUTES TO HIS MEMORY

Hon. W. Ross Macdonald: Honourable senators, before we proceed with the business of the house may I refer to the sudden passing of one of our colleagues, Senator James P. McIntyre. I am sure we were all shocked last evening when we heard that he had passed away, in Boston. It seems only a few days ago that he was with us. It is true that he did not then appear to be in the best of health; nevertheless we did not think for one moment that we would not see him again.

Senator McIntyre was a close friend of many of us. He was always ready to talk of our problems; and he took a great interest in the Senate. The first time I ever heard him speak was in this chamber. I believe on that occasion he was speaking on the motion for an Address in reply to the Speech from the Throne. He did not have a note in his hand or on his desk. I recall that he made particular reference to Canada's national debt and her per capita debt. He also gave the total debt and the per capita debt of each province and he did all this without reference to notes. He did not start at Newfoundland or Nova Scotia and go across the continent, but skipped from one province in the east to British Columbia and back to Ontario, and then out to Alberta, and so on. I believe he also gave Canada's total population and that of each province. I thought it was an amazing performance. I had never heard anyone do such a thing before.

Senator McIntyre was born on July 19, 1883, at St. Andrews, Prince Edward Island, the son of William D. McIntyre and Elizabeth McKinnon. His parents were of that hardy Scottish stock which immigrated to this continent to escape religious persecution in their native Scotland. I am sure it is unnecessary to summarize the achievements of many of those hardy pioneers. Suffice to say that that was the calibre of our late colleague.

The late senator was born and raised on the farm, and became a farmer, but he also branched out into other endeavours and became one of the leading lobster packers in

eastern Canada. He was president of the Savage Harbour Packing Company and a director of several other business developments in his native province. At an early age his ability in public affairs was recognized, and in 1917 he was a candidate for a seat in the Prince Edward Island Legislature, to which he was first elected in 1919. He was defeated in 1923, and re-elected in 1927, in which year he was appointed Minister of Public Works and Highways in the Government then headed by Premier Saunders. He was re-elected in 1931 and 1935. In 1935 he became Minister of Public Works and Highways in the Campbell Government and he continued to hold a seat in the local Legislature until 1943. He was summoned to the Senate on February 21, 1943.

Senator McIntyre was known to a host of friends on the Island as Jim Bill McIntyre. His kind and hospitable nature endeared him to everyone, and I am sure it will be difficult for many of his fellow Islanders to accept the fact that he is no longer with them. They will be comforted, however, by the fact that his was a life dedicated to high purpose and public interest, for he has left a legacy of good works long to be remembered.

I am sure honourable senators will join me in extending to his wife and children sincere sympathy in their very great loss.

Hon. Felix P. Quinn: Honourable senators, at a time like this it is difficult to find words to express what is in one's heart in referring to the passing of one of our most respected and lovable colleagues. I give that its full meaning, for since Big Jim McIntyre entered this chamber I have regarded him as one of my closest friends, and I feel his passing very keenly. I little thought when he said good bye to me, only a few days ago, that I would never lay eyes on him again in this life.

Jim McIntyre was a real Canadian citizen; he was a patriot, a man who loved his Canada, but above all his native province, Prince Edward Island. He proved that by his devotion to public life. The honourable Leader of the Government (Hon. Mr. Macdonald) has referred to his record as a public man. I can only repeat that for 40 years our late colleague gave of his best to the government of his province, and then he was rewarded by a seat in the senior chamber of the Canadian Parliament. He was most attentive to his duties, and very seldom missed a sitting of this body. He devoted a good deal of time and interest to the work of this chamber; and when he spoke he did so with meaning, as is indicated by the illustration which the honourable leader gave us in referring to one of the late senator's speeches.

Senator McIntyre had a wonderful memory, and a wide knowledge of the important

affairs of his country. He was an honest, upright and God-loving Christian man. I do not think he did harm to anybody in his life. He was gifted with the help of a most wonderful wife; she was a charming and lovable woman and made for him a splendid home. About a year ago Senator McIntyre was much concerned when his wife had to go to hospital. Fortunately, she recovered and came back. We little thought at that time that in less than a year Senator McIntyre himself would have to go for treatment to the same hospital, from which he would never return.

I am deeply grieved by the passing of Senator McIntyre, and I wish to join with the honourable Leader of the Government in extending to Mrs. McIntyre and the other members of the family our most profound and heartfelt sympathy.

Hon. F. Elsie Inman: Honourable senators, it is with a great feeling of sadness that we are called upon to mourn the passing of a valuable and highly respected colleague and member of this chamber.

Senator McIntyre's death is a distinct loss to the Senate, and especially to Prince Edward Island, whose interests and welfare were so near to his heart. He was one of the Island's most outstanding citizens—well known throughout the length and breadth of the province, and indeed well known all over Canada. He visited every province in connection with his duties as Minister of Public Works in Prince Edward Island, and his opinions and judgments were sought and accepted as being sound and reliable.

Born at St. Andrews, Prince Edward Island, the late Senator McIntyre left his home as a young man to seek his fortune in the United States. After a short while he returned to his native province, where he found the way of life more to his liking. He acquired a farm on the beautiful shores of the Gulf of St. Lawrence, a few miles from Mount Stewart, where he engaged in farming and lobster packing and made a success of both undertakings.

The McIntyre homestead has always been the epitome of hospitality, and both the senator and his wife extended a smile and the hand of friendship to all who came to visit them there.

Senator McIntyre gave 24 years of his life to the public service of his province, first as a private member of the Prince Edward Island Legislature and later as Minister of Public Works, before being summoned to the Senate, in 1943.

I knew Senator McIntyre for many years and found him always a true and sincere friend. He could not be otherwise, for he

was fair, generous minded and big hearted, a champion of what is best in life. He loved people and was loved by people; he was a popular and highly esteemed personality of whom his province can be justly proud.

I wish to join with honourable senators in extending to Mrs. McIntyre and their family deepest sympathy in their great bereavement.

Hon. Norman P. Lambert: Honourable senators, on behalf of those of us whose designations are associated with parts of Upper Canada but who have had the privilege also of enjoying some of the charms of Prince Edward Island, I feel that I would be remiss if I did not say a word in tribute to our late colleague. I had the pleasure not so long ago of enjoying his warm hospitality at his homestead not far from Charlottetown. I will not forget the interesting experience of trying to find his place, of stopping on the road to inquire of a young lad where Senator McIntyre's house was, and being greeted with the question, "Do you mean Big Jim Bill?". It was not difficult from then on to find the roadway into his homestead, from where I think there is one of the finest and most beautiful views that I saw during my visit to the Island that summer.

There was a warm simple Celtic hospitality about Senator McIntyre and his wife and family and their own home, which I think might be regarded as characteristic of the kind of hospitality that one receives on the Island. I look back on that visit to his place, which occupied most of one afternoon and evening, with the greatest warmth of regard for all that he stood for. I had met him previously through my acquaintance with another late colleague from Prince Edward Island, Senator Jones, with whom he served as a minister in the provincial Government, and I learned to have a good deal of respect for his ability. He was not a man who in his early life had the opportunity of an extensive academic background or of more than an ordinary schooling, but he was blessed with great natural talents, some of which were reflected in this chamber on one or two occasions when he sought to expand a bit, in a vein of eloquence which I think anyone might envy, on the beauties of Prince Edward Island.

He will leave a real void in this chamber; and on behalf of all of us from Upper Canada—if I may put it that way—who learned to have a real attachment for him, I express deepest sympathy to Mrs. McIntyre and family.

Hon. Jean-François Pouliot: Honourable senators, the late Senator McIntyre well deserved the eloquent and moving tributes

which have been paid to his memory; and it is comforting to those who survive our deceased colleague to realize that friendships made in the Senate are not broken even by death. I have a vivid recollection of the strong handshake that Senator McIntyre gave me after my appointment to this chamber. He said to me "I am glad that you are with us". It was a touching welcome, and I shall never forget it. I remember the senator as a man who had a high sense of duty, and who remained at his post in the Senate until a grave illness forced him to go to the hospital. As I was walking up to this building in his company, only about a month ago, he told me that some medical men had warned him that his days were numbered. But he faced the inevitable with courage, a courage inspired by a profound and sincere belief in God. He said, "I cannot do otherwise than try as much as I can to stay longer with my family, if it is God's will."

His was a quiet nature, but he was a man of deep convictions. He was naturally gifted as a speaker. I remember his powerful voice and his accent of sincerity when he was speaking in this chamber. As he was kind, he had countless friends; and it is my privilege to join all those who have so well spoken of him, and who will still remember him, in offering most profound sympathy to his widow and their eight children.

PACIFIC FUR SEALS CONVENTION BILL FIRST READING

A Message was received from the House of Commons with Bill 412, an Act to implement the Interim Convention on Conservation of North Pacific Fur Seals.

The bill was read the first time.

SECOND READING

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

Hon. Donald Smith: Honourable senators, I move the second reading now.

I believe it was the intention of the honourable Leader of the Government (Hon. Mr. Macdonald) to have this bill explained by the honourable senator from New Westminster (Hon. Mr. Reid), but as he is not in the house at this particular time it has fallen to me, coming from the other coast of Canada, to make, figuratively speaking, this long trip to the west coast and to offer some explanation of the bill. It has been very interesting to look into the information that is available on a matter which affects the Pacific coast only, but which is part of a whole problem that is of much interest to those from all coastal areas.

The North Pacific Fur Seal Conference came to a successful close on February 9 this year, in Washington, with the signing of the Interim Convention for the Conservation of North Pacific Fur Seals. The convention was the result of extensive negotiations by delegations representing Canada, Japan, the Union of Soviet Socialist Republics and the United States of America, which began discussions on November 28, 1955.

There are about two million fur seals in the North Pacific ocean. Indiscriminate killing of seals would soon reduce their numbers sharply and perhaps jeopardize their existence. This was demonstrated at the end of the nineteenth century and later, when the herds, whose numbers in the 1860's had reached almost two million, fell to about 200,000 head in 1911 after commercial hunters had relentlessly pursued them both on land and at sea. Under the four-power Fur Seal Convention of 1911, Canada, Japan, Russia and the United States prohibited their nationals from hunting the seals at sea. As a result the population rose to 1,600,000 by 1941, when the 1911 convention was terminated, and the herd is now estimated to number over two million. Meanwhile, during this 30-year period of the original convention, over a million skins were harvested on the breeding islands by the governments having control of them. The present convention of 1957 will reinstate the multilateral conservation by the four North Pacific powers, which was interrupted by war and post-war conditions.

The fur seal spends nine months each year at sea, three months on land. Migrating each winter to waters as far south as the latitude of San Francisco and Tokyo, the herds, beginning in June, return to three island groups in the far north—the Pribilof Islands off Alaska and the Commander Islands and Robben Island off the Asian Coast. Here they remain for three months on the beaches while the pups are born and are prepared for life at sea, having to learn to swim during this time. In September the seals begin to leave for their nine-month journey southward. By October the islands are again bare.

I think it would be interesting to give some information about what kind of animal the seal is, whose pelt is so valuable. The seal is an amphibious and a polygamous creature. On arrival at the northern islands each older bull stakes out his claim on the beach and sets up housekeeping with his harem of as many as 75 females, the average being about 30. Here he brooks no interference from the young bulls, and because of his tremendous size, which may be up to 1,000 pounds, has little difficulty in chasing off his potential rivals. These large numbers of

would-be husbands congregate to express their frustration in unison and are easily fenced off from the masters of the harems.

Only the three- or four-year-old bachelor bulls are taken by the hunters. The hunters on the Asian Islands are employed by the Government of the U.S.S.R., and the killing on the Pribilof Islands, where 60,000 to 70,000 are taken annually, is done by the United States. I might say that in 1956 over 120,000 were taken, but there were some unusual circumstances with regard to that kill. I am informed that the annual kill will usually average between 60,000 and 70,000.

The convention provides among other things for:

1. The establishment of a North Pacific Fur Seal Commission of four members, one from each of the signatories. The 1911 convention did not grant Canada and Japan the right to participate in research and management of seal herds on the breeding areas, which are under the jurisdiction of the United States and the U.S.S.R. Canada only shared the skins. Now all four countries concerned will participate equally in the new commission.

2. A six-year co-operative research program on: food habits in relation to effect on commercial fisheries; potential damage to fishing gear; what measures would result in the optimum sustained yield of fur seals in relation to other marine resources; and fur seals taken at sea for research purposes. The U.S.S.R. has undertaken to take up to 1,250 annually; Japan has undertaken to take up to 3,250 annually, and Canada up to 750 annually. There will be a very extensive tagging program, and the United States will endeavour to tag 50,000 on the Pribilof Islands. The U.S.S.R. will tag 25 per cent of the black pups on Commander and Robben Islands.

3. The prohibition of pelagic sealing, which is seal hunting at sea, except to a specified extent for research purposes.

4. The boarding and search of vessels at sea in suspicious circumstances, and the arrest of vessels and crews upon reasonable belief of seal hunting, with trial in the country of the flag of the vessel.

5. The enactment and enforcement by the parties of such legislation and the application of such measures as may be necessary to guarantee the observance of the convention.

6. A sharing of the land kill such that Canada and Japan will receive each year from the U.S.S.R. and the U.S.A. 15 per cent of the sealskins taken on the islands by the latter two Governments.

The Canadian share is in compensation for not killing the seals as they move along the

coast of British Columbia on their annual migration from California to the Pribilof Islands. The net return from our percentage of the fur seals, which are processed and sold on the auction fur market, is placed in the consolidated revenue. Last year this amount was almost \$1 million.

Canada's interest, apart from this direct monetary one resulting from the kill, is very great. In the research program it is hoped to learn whether, for instance, the continuation of a large seal population would be detrimental to the valuable salmon and halibut resources of the Pacific. The fur seal, although omnivorous, is known to have a daily menu of fish, and a 600- or 800-pound bull must have an enormous capacity.

Canada's assignment in the research program is to examine the stomachs of the seals taken at sea, in order to gather data regarding what kind and quantities of food are taken by the seals. It is evident that this information will be of great value in assessing the effect of the seal herds on the Pacific fisheries.

The convention will enter into effect upon the deposit of ratifications in Washington by the four signatories. It will continue in effect for six years, although in certain circumstances the term may vary from six years. The parties agree to hold a meeting toward the close of the research program to determine what more permanent arrangements may be necessary for the conservation of the herds.

The convention is now in the process of being ratified by the Japanese Diet and the United States Congress. Ratification by the U.S.S.R., which has already signed the interim convention, should not be a very long or doubtful process.

Bill 412 is the legislation necessary for Canada to implement the interim Convention on Conservation of North Pacific Fur Seals. The clauses of the bill parallel the articles of the convention, which is attached as a schedule to the bill. This approach is the one followed in the past in ratifying other international conventions.

I should like to conclude my remarks with a reference to the continued good work being done by the Minister of Fisheries and his able staff, in the field of conservation of the resources of the sea.

May I remind honourable senators that in 1950 ratification was given to the setting up of the International Commission for the North West Atlantic Fisheries. This commission is actively engaged in research and international acceptance of regulation of the haddock fishing through the use of a size of net mesh which will allow the smaller haddock to escape. In 1953 came the ratification

of the International Convention for the High Seas Fisheries of the North Pacific Ocean. In the same year the convention between Canada and the United States for the preservation of the halibut fishery was approved. This year, it will be recalled, the convention relating to the conservation of Sockeye Salmon was extended to include Pink Salmon.

There is another field of endeavour in which the Department of Fisheries and the Department of External Affairs have been actively engaged for some years. This is an endeavour to obtain international agreement for the extension of Canadian territorial limits for the purposes of control of the fisheries resources in the area extending twelve miles off our coast.

Following representations again at this year's session of the United Nations, an international meeting has been scheduled to discuss this matter. I believe it is scheduled for next year. It is hoped that the Canadian negotiations will meet with success.

New uses, improved methods of preservation, and increased speed and efficiency of transportation have stepped up demand for many products, and responding technique has raised to devastating efficiency the methods of stripping the lands and seas of their wealth. Conservation of what still exists and rehabilitation of what has been depleted are now in order, if mankind is not to suffer in the future. The resources of the seas throughout the world are objects for protection against the great exhaustion, and it is encouraging to see progress being made by Canada in their attainment.

Hon. Senators: Hear, hear.

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

THIRD READING

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

Hon. Mr. Smith (Queens-Shelburne): I move the third reading now.

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

DOMINION SUCCESSION DUTY BILL

REPORT OF COMMITTEE

Hon. W. D. Euler, acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 410.

The report was read by the Clerk as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (410)

intituled: "An Act to amend the Dominion Succession Duty Act", have in obedience to the order of reference of April 8, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): I move the third reading now.

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

INCOME TAX BILL

REPORT OF COMMITTEE

Hon. Mr. Euler presented the report of the Standing Committee on Banking and Commerce on Bill 407.

The report was read by the Clerk as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (407) intituled: "An Act to amend the Income Tax Act", have in obedience to the order of reference of April 8, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): I move the third reading now.

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

PRAIRIE FARM ASSISTANCE BILL

THIRD READING

Hon. J. Wesley Stambaugh moved the third reading of Bill 157, an Act to amend the Prairie Farm Assistance Act.

Hon. W. Rupert Davies: Honourable senators, I wish to ask two or three questions on this bill, not in a controversial way. Unfortunately, I was not here last evening when the honourable senator from Bruce (Hon. Mr. Stambaugh) explained the bill. The first question is: On what basis are these moneys paid and who decides when they shall be paid? Are they paid on the basis of poor land, or on the basis of the industry of the farmer?

The second question is: Are there many wheat farms on the prairies which would have a crop of less than 8 bushels to the acre?

My third question is: If a majority of the wheat farmers in a township have a crop

of less than four bushels to the acre, do all the farmers in that township receive assistance under this act whether their production is greater or less than four bushels? I trust my honourable friend does not mind my asking him those questions.

Hon. Mr. Stambaugh: I am pleased to answer those questions and any others about matters in this bill which are not clearly understood.

As I followed the questions of my friend from Kingston, I think he first asked whether the majority of the farmers in a township had to have less than 8 bushels an acre to be eligible for assistance. May I say first that it is not the number of farmers that has anything to do with it; rather, it is the acreage of the whole township that is taken into consideration. If the total acreage has less than 8 bushels per acre, then all the acreage in that township receives the award.

Would my honourable friend mind repeating his second question?

Hon. Mr. Davies: On what basis is the decision made? Is the production of less than 4 bushels to the acre in the township due to bad farming or poor land?

Hon. Mr. Stambaugh: That is one reason why they take into consideration a whole township, which consists of more than 23,000 acres. There would not be a large group of poor farmers in an entire township. A poor crop would be the result of a catastrophe or an act of God, such as a drought, or a bad hail storm, or a flood. Inspectors go around and assess the acreage that is under crop, and base their decision on the bushels per acre. The farmer has nothing to do with the decision.

Hon. Mr. Davies: My third question was whether there are many farmers in the west who grow less than 4 bushels, or even less than 8 bushels, to the acre.

Hon. Mr. Stambaugh: During what we term the good years, the last few years, not many farmers have produced less than that amount. When it is that low it is usually not on an individual basis; as a rule it is the result of a drought over a very large area. For instance, in southern Alberta and Saskatchewan one could almost mark out an eligible area on the map without much inspection of it. But in the northern part of the province, where there are more showers and fewer Chinook winds, there is less drought. As you know, Chinook winds are a very fine thing in the winter, but in the summer they will dry out the land in a few days. Therefore, the areas of drought in the northern part of the province are smaller than in

the southern part. But in every case you must have a township to start with.

Hon. Mr. Davies: Thank you very much.

Hon. W. D. Euler: May I ask my friend a question? Could he tell us the total amount of the subventions given to the farmers who have suffered a light crop within the past year?

Hon. Mr. Stambaugh: Do you mean by provinces?

Hon. Mr. Euler: No, I am asking for the total. I take it this act applies to the farmers of western Canada only, and not to the farmers of Ontario and Quebec, for instance.

Hon. Mr. Stambaugh: The total amount that has been paid since the act came into force is \$185 million, and the amount paid for 1956 was \$1,209,000.

Hon. Mr. Euler: I was about to make a further comment, but perhaps this is a matter of policy and one which could be better answered by the Leader of the Government (Hon. Mr. Macdonald). This may not be the time to mention it, for it is a policy that has been in vogue for a good many years. I was wondering upon what principle we give assistance from the public treasury to one particular line of business when other lines of business in the country do not receive any assistance.

Hon. Mr. Stambaugh: If I may be permitted, I should like to give my opinion on that question. In the first place, it should be pointed out that a levy of 1 per cent is paid by the farmer on all the grain he sells, including wheat, oats and barley. That does not entirely cover the payments made from the public treasury under this legislation, but up to date it has covered a little better than half of it. This means that about half the amount paid out has been taken by way of levy from the farmers.

Hon. Mr. Euler: That is not a complete answer. How about the other half?

Hon. Mr. Stambaugh: Well, the other half comes out of the public treasury. This act was brought into force shortly after the hard times in 1935, when the provinces were not able to provide all the relief needed. It was a measure of relief to take care of the large grain growing provinces, which constituted the granary of Canada. Of course, it is that part of the country which keeps the industrial part of Canada going, and you should be glad we are there.

Some Hon. Senators: Oh, oh.

Hon. Mr. Macdonald: Honourable senators, I do not want to get into a controversy with my friend from Waterloo (Hon. Mr. Euler).

He has pointed out that some lines of business are helped by the Government while others are not. I do not know what businesses he has in mind. I think he will recall that the businesses which he brought to the attention of the Government—and I do not say he has a personal interest in them—do receive assistance in an indirect manner, and it is very helpful to them.

Hon. Mr. Euler: Honourable senators, may I be permitted to say one word more? I imagine my friend the Leader of the Government thinks I have manufacturers in mind. I am not thinking of manufacturers, but rather of people in many other lines of business in this country which find it difficult to get along but receive no assistance at all from the Government.

Hon. Mr. Macdonald: I hope my friend was not thinking about the lawyers.

Hon. Mr. Euler: They do not need assistance.

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

TAX BILLS

On the Order:

Second reading of Bill 406, intituled "An Act to amend the Excise Tax Act".—(Hon. Senator Vaillancourt).

Hon. W. Ross Macdonald: Honourable senators, before we proceed with consideration of this bill on second reading, may I say I have asked the honourable senator from Ottawa West (Hon. Mr. Connolly) to explain this bill and the two following bills on the Order Paper, namely, the Customs Tariff Bill and the Excise Bill. These are all financial bills, related to the budget which was brought down in and passed by the other house. It may appear to honourable senators that we are attempting too much in giving consideration to these three bills this afternoon. However, I would point out that in the other house these three bills, and the Dominion Succession Duty Bill as well, were dealt with in one afternoon and the report of the discussion covers only about 10 pages in the *Hansard* of that house. Therefore, I do not think we need feel that we are unduly rushing legislation if we consider these three measures this afternoon.

EXCISE TAX BILL

SECOND READING

Hon. John J. Connolly moved the second reading of Bill 406, an Act to amend the Excise Act.

He said: Honourable senators, after having detained the chamber so long last night I think I should start out by saying that none

of these bills is going to compare to the Income Tax Act in intricacy of provisions. I might also say that for a measure of this kind it is almost impossible to compete with bills that have to do with the mating habits of seals on the west coast or with the balmy breezes that blow into the province of Alberta, both in summer and winter. I know that, from the point of view of popularity, a measure of this kind simply cannot appeal to the membership of the Senate in the way these other two measures did.

May I first of all make a few very general observations on the Excise Tax Act, which is chapter 100 of the Revised Statutes of Canada. It seems to me that for a financial measure of this kind it is a little easier to understand the amendments if you know generally the bill which you are amending. In general, the act is divided into a number of segments: one deals with the excise tax on insurance premiums, another with the tax on magazines, another with the taxes on automobiles, televisions and commodities of that character which are subject to an ad valorem excise tax. All these taxes are collected at the manufacturer's level. Another segment of the act deals with the excise taxes on playing cards and wines; and finally, part VI of the act imposes sales tax.

There are other general provisions of the act covering licensing, regulations, procedure, refunds and the like.

This act has three schedules appended to it. The first of these schedules lists the ad valorem excise taxes on such commodities as automobiles, on which the rate is 10 per cent of the value—television sets and items of that character.

Schedule 2 imposes for the most part specific excise taxes. For example, on cigarettes there is a specific tax of two cents upon every five cigarettes, as distinct from the ad valorem tax on automobiles, for instance, of 10 per cent of the value of the automobile. The third schedule contains the exemptions from the sales tax. I think honourable senators are quite familiar with the provisions of this act, but I have given the general sketch because I think it might assist in the consideration of the bill that we have before us.

As honourable senators know, under the budget resolutions the main changes made in the Excise Tax Act were items of tax relief, particularly from the provision of the sales tax. These changes are all set out in schedule III, beginning on page 5 of the bill. Honourable senators will observe that the entire schedule has been redrawn and the new exemptions are inserted. These new exemptions are underlined. For example,

under the heading "Foodstuffs" there are a number of additions which will now be exempt from sales tax, such as baking powder, baking soda, cocoa, cocoanut, meat tenderizers, pie fillings, prune juice, tea, coffee and substitutes therefor.

I understand the loss to the revenue, or the saving to Canadian taxpayers on tea, coffee and substitutes therefor, is some \$10 million. The total saving to Canadian taxpayers,—or, looking at it the other way, the total loss of revenue—from exemptions listed under this measure, is some \$19 million.

Under the heading "Farm and Forest" there is an exemption provided for "potted, flowering or bedding plants; dormant flower bulbs, corms, roots and tubers; cut foliage".

Under the heading "Printing and Educational", on page 8 of the bill, "desks and chairs specially designed for use in school rooms when sold to educational institutions" are new exemptions; and on page 9 under the same heading, "printing for school boards, schools and universities, for use by such institutions and not for resale".

Then certain building materials are added to the long list of building materials already exempt from the sales tax.

Honourable senators will be interested to know that "gasoline powered" as well as "diesel powered" self-propelled trucks for off-highway use in quarries and in mines are no longer to be subject to sales tax. Likewise, too, under the "Miscellaneous" heading, equipment sold to or imported by municipalities for road cleaning or road making, or for fire fighting purposes, at a price in excess of \$500 per unit, are now to be exempt from sales tax. Heretofore, the price minimum was \$1,000. "Railway ties" also are exempted under this heading.

I should mention too that 75 per cent of the sale price, if they are manufactured in Canada, or of the duty paid value, if they are imported, of trailers for use as homes, will not be subject to sales tax. That is a concession, I understand, welcomed warmly in the construction industry, particularly where extensive construction work is going on at points distant from the centres of population.

So much for the exemptions under the sales tax schedule, which is schedule III of the bill.

The ad valorem excise tax, which is usually referred to under this measure as "excise tax", is also removed from certain goods which are now taxable under schedule I of the bill, such as soft drinks, candy, motor cycles, fountain pens and items of that character. These are now to be exempt from the excise tax.

Under schedule II, Canadian raw leaf tobacco, which was formerly subject to this tax in the amount of eight cents a pound, will be free of it.

These are the main financial provisions of this measure; but a few other things are sought to be done under the bill. In the first place, a very long title, which was appropriate in 1915, when the act became law, is now deleted, and for it will be substituted the name "An Act respecting Excise Taxes".

An interesting and, I believe, a useful provision is contained in section 3, with reference to the automobile industry. As honourable senators know, automobiles are now subject to an excise tax and a sales tax. Generally speaking, I understand those engaged in the automobile industry have never been particularly concerned about the existence of the sales tax, because it is not likely that, with such a tax in existence, automobiles would be exempted. But from time to time changes have been made in the excise tax on cars. Usually these changes are made at the time of the budget, which as a rule comes down in the spring, when new models of cars have begun or are beginning to come out. In that period of the year dealers are very reluctant to stock up with new cars before the budget if there is any prospect of relief in respect of excise taxes. For that reason it has always been a problem between manufacturer and dealer as to who shall store new cars, and under what conditions. Also, manufacturers have been complaining that the reluctance of dealers to order or take delivery of cars has slowed down the tempo of the industry at that period of the year. The change proposed is that, contrary to what has obtained heretofore, the excise tax, though not the sales tax, will not attach at the time of the transfer of possession from the manufacturer to the dealer, but the excise tax will apply only when title passes from the manufacturer to the dealer, if the car is made in Canada, or when the importer takes title to it, if the car is imported. In other words, dealers will be able to order cars, take delivery of them upon consignment, and hold them in stock without being then subject to excise tax. The tax will become payable only when the dealer buys the car from the manufacturer.

Hon. Mr. Stambaugh: As I understand it, under the bill, the dealer is not obligated to pay that tax until he sells the car to the ultimate purchaser.

Hon. Mr. Connolly (Ottawa West): The position has always been that, once possession passes from the manufacturer to the dealer, the tax applies.

Hon. Mr. Euler: That is so.

Hon. Mr. Connolly (Ottawa West): But under the amendment, that will no longer be the situation: in future the tax will apply only when the dealer takes title to the car. This arrangement is much fairer to the dealer, and I think it is better for the manufacturer as well.

Hon. Mr. Stambaugh: It will not be necessary for the dealer to take title to the car until he sells it? Although it will be in his possession, he will not take title to it?

Hon. Mr. Connolly (Ottawa West): He can take title when he sees fit. He can hold the car on consignment. But I imagine the dealer would not take title until he had made a sale, and then he would pass the tax on immediately. Heretofore the complaint has been that the dealer had to pay the tax when he took possession and then, perhaps before he sold the car, the amount of the tax was reduced by Parliament, so he could not charge the full tax to his customer. The dealer is now to be relieved of any uncertainty in that regard.

Hon. Mr. Baird: In other words, the cars will be on consignment.

Hon. Mr. Connolly (Ottawa West): Precisely. I think the honourable senator: that is the neatest way of putting it.

Hon. Mr. Power: Could not that always be done by arrangement between the dealer and the manufacturer? In other words, the dealer could be treated as a warehouseman.

Hon. Mr. Connolly (Ottawa West): That could have been done by contract, excepting that there is a provision of the law which states that, once possession passes, the tax applies. I know that a number of years ago cars, perhaps by the thousands, were stored by General Motors in a field near Oshawa. As I remember it, some of the officials of that company were very much concerned at the possibility of destruction or damage through falling aircraft or other hazards. These cars were stored there by the manufacturers simply because the dealers were not taking them, perhaps for lack of room, but knowing also that if they took them before the budget came down, and the tax were reduced, they stood to lose a great deal of money. I understand in one year the dealers did lose considerable money.

Hon. Mr. Euler: Is not the matter rather one of actual ownership than of mere possession of cars?

Hon. Mr. Connolly (Ottawa West): As the law is—that is, before this amendment is adopted—the tax applies at the time of transfer of possession regardless of who may then legally be the owner.

Hon. Mr. Davies: As I understand from what the honourable senator has told us, the amount which the Government will eventually receive will be the same, but it will get it at a different time.

Hon. Mr. Connolly (Ottawa West): That, I think, is so, unless in the meantime the tax is reduced, in which event the tax payable will be at the rate applicable at the time the dealer takes title to the car.

Hon. Mr. Davies: That would be when the budget is brought down? There would be no change in the intervening period?

Hon. Mr. Connolly (Ottawa West): Usually the amount of the tax is not changed between budgets: that is, from one spring to the next.

Perhaps I should mention one other provision of section 5. It is designed to enable the minister to extend the date within which the taxpayer must make his return to the department under the Excise Tax Act. Heretofore, due to circumstances completely beyond the control of the taxpayer, he might be late in making a return within the month or two months allowed by the act, and sometimes his late filing might be due to ill health, or inclement weather delaying postal delivery, and things like that. I understand the minister has been using discretion in allowing such late filings to be made without assessing a penalty. However, the Auditor General, who is the watchdog of the Treasury, found a number of these cases and challenged the minister's right to allow this kind of late filing without penalty. He was supported in that by the law officers of the Crown in the Department of Justice. The result has been that in order to regularize a practice which has been followed in the department for a number of years, there is an amendment to section 5.

Section 6 of the bill simply rewrites the schedules. I think that is of great convenience both to taxpayers and to legislators.

Section 7 of the bill provides that the new exemptions will go into effect on March 15, 1957, with the exception of the change in the date of the imposition of the excise tax on automobiles. That became effective on February 1, 1957, a date which antedated the budget, for it was desired to give that much help to the automobile industry in advance of the budget.

Honourable senators, that is the explanation of the principal features of this bill.

Hon. W. D. Euler: Honourable senators, I suppose one should commend the Government for anything that it does in the way of

reducing taxation, although some of us might think that reductions could have been made in other directions as well.

At this time I should like to refer to Schedule III of the bill, which lists exemptions on foodstuffs. I have often wondered upon what principles these exemptions are based. Are some of these commodities exempt from the 10 per cent sales tax because they are necessities? I do not know. As I have said before in this house, the list seems to be fearfully and wonderfully made. They make fish of one commodity and flesh of another.

Hon. Mr. Baird: What about margarine?

Hon. Mr. Euler: My friend is anticipating me. I regard that as quite unfair, for margarine is my own particular hobby. I once tried to have margarine inserted among the list of exempted articles, but I did not get by with it. This house voted me down. Let us look at Schedule III. There are now being added to foodstuffs already exempt such items as baking powder, baking soda, and cream of tartar. I do not object to that at all. I am all in favour of it. Lard and yogurt were in the list before. Cooking oil and salad oils are still exempted. I wonder if margarine could get in under that item. Mayonnaise and salad dressings are being added to the exempted articles. They are very important articles of food. Another addition to the list is edible gelatine. Whatever that is. I do not know.

Among the further additions are flavouring extracts, gravies and meat extracts. Ice cream is on the list; it has always been exempt. I am in favour of that, but why should it be exempt and not the commodity to which my honourable friend from St. John's (Hon. Mr. Baird) referred? Peanut butter is on the list. This has always been exempt, and, horror of horrors, one of its ingredients is imported from the United States. Those who are opposed to margarine altogether—though they are in favour of the sales tax on it—base their strongest argument on the fact that it is made from vegetable oils which are imported from the United States. I cannot see any reason why margarine, which is largely made from imported oils, should be in a different category from peanut butter, the peanuts for which are imported from the United States.

Also included in this list of exempted foodstuffs are such new items as pickles, relishes, catsups, sauces, olives, horseradish, mustard, pie fillings, and sandwich spreads. I wonder whether margarine could come in under the heading of sandwich spreads. I wish the officials who drafted the list had been more specific and put margarine down there in black and white.

Honourable senators, I mention these items for the simple purpose of pointing out that there is the rankest sort of discrimination so far as margarine is concerned. After all, margarine is a food. I have said that in this chamber many times. Margarine is, of course, a substitute for butter. It sells at about half the price of butter and is a great boon to many people in this country. There is no question about that at all.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Euler: Surely people should have the right to purchase whatever foodstuff they want, as long as it is healthful.

I should like to refer to another matter, although in doing so I may be out of order, for it is beyond the competence of the Senate to deal with it. I refer to the continued prohibition against the colouring of margarine. This practice is not permitted in any province except the intelligent provinces of British Columbia and Newfoundland. The right to continue this practice was one of the conditions under which Newfoundland entered Confederation with Canada. If the Government wants to be consistent and exempt articles of foodstuffs from the tax, certainly it should include margarine. It would mean a reduction of about 2 cents a pound in the cost of the margarine to the consumer. Margarine is quite inexpensive, and the removal of the prohibition against colouring it would mean that even more people would use the product. This, of course, is a matter for the provinces. Factories would be well pleased to put artificial colouring in the margarine, as they did when margarine first became legal, but the provinces have forbidden this. Perhaps the worst province in this respect is Quebec. In a grocery store in Trois Rivières—Three Rivers—I found something that looked exactly like butter. It was parcelled a little differently and it was very well sealed. It was openly on sale in that store, although the sale, purchase or possession of margarine in Quebec is illegal.

Hon. Mr. Vaillancourt: Why does the honourable senator from Waterloo (Hon. Mr. Euler) insist upon giving manufacturers the right to colour margarine? Is it in order to have that commodity compete with butter?

Hon. Mr. Euler: No.

Hon. Mr. Vaillancourt: What is the reason then?

Hon. Mr. Euler: To make the product look a little more appetizing.

Hon. Mr. Vaillancourt: Because butter is more appetizing?

Hon. Mr. Euler: Does my honourable friend admit that butter is also coloured artificially?

Hon. Mr. Vaillancourt: Sometimes, but not all the time.

Hon. Mr. Euler: I maintain that every individual should have the right to purchase and use margarine of any colour that he prefers, just as he has the right to purchase and wear clothes of any colour.

I wish to point out again the inconsistencies that are inherent in this list of exempted foodstuffs. One need only look at it to observe that there is no more logical reason for exempting certain foods in the list than there would be for exempting many that are not in the list.

Hon. Austin C. Taylor: Honourable senators, I had no thought of saying anything concerning this bill until my honourable friend referred to margarine, and in particular to the colouring of it. I should like to know why the manufacturers of margarine were so insistent in colouring their product exactly the same colour as butter.

Hon. Mr. Euler: Why is leatherette made in the same colours as leather?

Hon. Mr. Taylor (Westmorland): I am talking about margarine. So far as butter is concerned, I have made and printed a lot of dairy and creamery butter in my time. I will admit that there may be two months in the year when, if dairy cows do not get much succulent feed, such as turnips and silage, butter will need some artificial colouring; but if the cows are getting succulent feed there is no need for artificial colouring. I make butter on my own farm, and I get natural yellow butter all through the winter months. That is why, when the ban on margarine was lifted, I was one of those who advocated that no colouring should be permitted. I was in the Department of Agriculture of New Brunswick at the time, and I recall very distinctly being called by certain manufacturers in Canada and told that unless something was done to permit colouring I would be ruined politically in New Brunswick. My answer was that if that would defeat me in New Brunswick I would take defeat.

Honourable senators, 400,000 Canadian families depend on the dairy industry. I admit that probably the industry cannot compete with the same industry in some other parts of the world, such as New Zealand and Australia, and parts of Europe. However, the large group of Canadian people dependent on this industry should, I think, be recognized and assisted on a national scale when necessary. I do not complain, and I never will complain, about any assistance given to the prairie farmers, and I know that many of them will not object to an assistance given

to eastern farmers, because we have reached a time when we understand each other. I think it is a fact that a great many eastern farmers are receiving benefits and assistance from the federal authorities. I intend to say something about that at a later date, probably before the end of this session. In all fairness, I must say that over the years the western farmers have developed the ability to organize themselves well enough to present their problems forcefully before their provincial Governments, as well as before the federal Government. We in eastern Canada have not yet reached that fortunate position, but are fast getting there, and we are glad to join hands with the western farmers to help agriculture as a whole.

In closing, may I say that I hope that in Canada manufacturers will not be permitted to colour margarine like butter at any time—now or in the future.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: Why not ban margarine altogether?

Hon. Mr. Baird: I would like to tell the honourable senator from Westmorland (Hon. Mr. Taylor) that we in Newfoundland have used margarine for many, many years. We have enjoyed it and prospered under it, and we hope to have it for all time.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Baird: So far as butter is concerned, it is very palatable, but we do not even consider it as nutritious as margarine.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Vaillancourt: We do not agree with you.

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

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): I move the third reading now.

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

CUSTOMS TARIFF BILL

SECOND READING

Hon. John J. Connolly moved the second reading of Bill 408, an Act to amend the Customs Tariff.

He said: Honourable senators, this is a fairly simple bill, much simpler than the bill we have just been discussing. May I express the hope that it will give rise to as interesting a debate as did the last bill?

Generally speaking, the provisions of this bill reduce duty, but there is one exception—there is an increase of duty on potatoes imported from the United States.

The first section of the bill reduces duty on some 65 different items in the tariff. This is accomplished sometimes by changing the position of the items in the tariff as it exists now, sometimes by adjusting wording, and at other times by bringing order-in-council items into the tariff itself, and thereby making those provisions statutory law rather than law by order in council.

I must say that schedule A in this measure is perhaps not as illuminating a document to read as are the tables to be found in the Commons *Hansard*, for March 14, beginning at page 2233. That was the date of the Budget speech. Comparative tables are given there, showing the present position of each tariff item and the position which would result from these amendments. I put that reference on the record in case honourable senators are interested in seeing what the provisions of the tariff were prior to the amendments we are now enacting.

Section 3 makes changes in five different items, which are all set out on page 12 of the bill. They clarify cases in which drawbacks may be claimed. For example, it was formerly provided that certain items of machinery "for use in" plants manufacturing automobiles could be the subject of a claim for a drawback. The words "for use in" are now changed to read "used in"; in other words, the drawback may now be claimed only after the machinery is installed and used for the purpose for which it was originally intended under the item.

Section 4 of the bill strikes out two items of the tariff. Heretofore item 1206 prohibited the importation of adulterated tea, and item 1207 prohibited the importation of animals suffering from contagious diseases. It has been found that the importation of adulterated tea is now prohibited by regulations made under the provisions of the Food and Drug Act. So it is redundant to have it in the tariff. It is also found that the importation of animals suffering from contagious diseases is prohibited by regulations made under the Animal Contagious Diseases Act. Therefore it is unnecessary to have that item in the tariff.

By section 4 Schedule D is enacted. It provides by item 1220 of the tariff that "offensive weapons" as defined by the Criminal Code

may not be imported into Canada. Heretofore this prohibition has been made effective by Order in Council passed under the provisions of section 279 of the Customs and Excise Act, on the recommendation of the Minister of National Revenue. It is now proposed that this be done by legislation which, I think, is the better way of doing these things.

There are certain exceptions in Schedule D to which the words "offensive weapons" do not apply: for example, standard shotguns, weapons intended for army stores and antique items are not considered to be "offensive weapons" within the meaning of the Criminal Code or this section of the tariff.

Section 2 corrects a word used in the French translation of tariff item 422a. The phrase sought to be translated, I am told, is "transporting scraper unit". The word used originally in the French translation was *transporteurs*. The proper word, I am informed, is *racleurs*. That change is made.

Perhaps the most interesting of all these changes is that made in connection with potatoes. Heretofore, between August 1 and June 14 in every year potatoes were imported to Canada from the United States free of duty. For a six-week period, however, between June 15 and July 31 each year, potatoes attracted a duty of 37½ cents per hundred-weight. In other words, except for six weeks each year Canada was wide open for the free importation of mature or old potatoes from the United States. I may say it will still be possible, under the change I am about to describe, to import new potatoes free of duty from the United States in the period from January 1 to June 15.

Recently negotiations were conducted between American authorities and officials of the Department of Finance and of the Department of External Affairs, pursuant to the provisions of the General Agreement on Tariffs and Trade, called GATT. As a result of these negotiations the American authorities agreed that Canada could impose a duty of 37½ cents per hundredweight on potatoes coming into Canada from the United States at any time of the year. Canada sought that amendment in the GATT. But this amendment, like others, was not given without a certain amount of *quid pro quo*. The condition under which the American authorities relented and relaxed their adherence to the GATT provisions in respect of potatoes was this: Canada could export to the United States 2½ million bushels of seed potatoes and 1 million bushels of table potatoes at the low rate of duty imposed by the American authorities on this type of product. Under the new arrangement these quotas have been reduced as follows: seed potatoes, from 2½

million to 1 million bushels; table potatoes, from 1 million bushels to 600,000 bushels. In other words, Canadian seed potatoes now going to the United States in quantities in excess of 1 million bushels will not qualify for the low rate of American duty, which is 37½ cents per hundredweight. They will attract the higher rate of 75 cents per hundredweight.

That, honourable senators, is the general explanation of the bill.

Hon. Austin C. Taylor: May I ask the honourable senator from Ottawa West a question? Would he state again the quota of seed potatoes allowed to enter the United States market at present?

Hon. Mr. Connolly (Ottawa West): I understand that before this revision of the provisions of GATT was made Canada could export to the United States 2½ million bushels of seed potatoes each year, and 1 million bushels of table potatoes, at the low rate of duty imposed by the United States on these two commodities.

Hon. Mr. Euler: Is that arrangement confined to any particular time of the year?

Hon. Mr. Connolly (Ottawa West): No, I do not think there is any time limit.

Hon. Mr. Taylor (Westmorland): What is the quota now?

Hon. Mr. Connolly (Ottawa West): The reduced quota for seed potatoes will be from 2½ million to 1 million bushels, and for table potatoes from 1 million to 600,000 bushels.

Hon. Mr. Taylor (Westmorland): From recent press report I was under the impression that the combined total of 3½ million bushels of table stock and seed had been reduced by only one million bushels, namely, 600,000 bushels on certified seed and 400,000 bushels on table stock. According to information the honourable gentleman has just given us, the quota is apparently reduced by 1½ million on certified seed.

Hon. Mr. Connolly (Ottawa West): That is the information I have. If the honourable gentleman would care to refer to the House of Commons *Hansard*—unfortunately I do not have it at hand—he will see the figures given there. They can be checked against the ones I gave. Perhaps we could allow this bill to stand until tomorrow, and in the meantime we can check those figures. I would be very happy to agree to that.

Hon. Mr. Taylor (Westmorland): I am quite concerned about this item because, as I say, I was under the impression that the reduction was only 600,000 bushels on certified seed

and 400,000 on table stock, on the total of 3½ million bushels. According to the figures we have just been given the reduction is 1½ million bushels.

May I at this time express my appreciation to the negotiating team for the Canadian Government and the officials from the United States government for their efforts to bring about some uniformity in these duties, or what I have called for many years countervailing duties, which could not be free both ways. I have had some experience in this field, having attended four conferences, two in Canada and two in the United States, when the matter of tariffs on fruits and vegetables was being discussed between the two countries. I know that the Canadian team faced a difficult task. However, I do know this new arrangement is going to mean a great deal to the potato growers of New Brunswick, Prince Edward Island and British Columbia. Therefore, I pay my tribute to the Government in its efforts to negotiate the question with reasonable satisfaction. I hope that a review of the figures will show my understanding of the reduction by 1 million bushels to be correct. At the same time, I say that while we are probably not entirely satisfied, because we felt that the quota should not have been touched at all, the fact remains that we are grateful for the consideration that has been given to the potato growers in Canada.

Hon. Mr. Euler: May I ask my friend from Ottawa West (Hon. Mr. Connolly) a question? The reductions in the quota seem to be very substantial, and while I think you mentioned it I do not recall now what the *quid pro quo* was. What concession do we receive?

Hon. Mr. Connolly (Ottawa West): Heretofore, between the 1st of August and the 14th of June each year, potatoes imported into Canada from the United States were free of duty. In other words, for a six-week period only, namely from the 15th of June to the 31st of July each year, they attracted a duty, when coming from the United States, of 37½ cents per hundredweight.

Hon. Mr. Euler: And that is increased?

Hon. Mr. Connolly (Ottawa West): What has happened is this: we could charge duty for a period of six weeks only on the importation of American potatoes, and now under the new arrangement Canada can impose a duty of 37.5 cents per hundredweight on American old stock potatoes, no matter when they are brought in. But for new potatoes the same provision remains. That is, we can get new potatoes from the United States free of duty between the 1st of January and the 15th of June each year.

Hon. Mr. Taylor (Westmorland): Honourable senators, I have before me a copy of the House of Commons *Hansard* of April 5 which contains the statement by the Minister of Finance in relation to an agreement between Canada and the United States. At page 3131, on the right-hand side a little over half way down the page, I read:

The trade agreements to which I have referred provided for certain concessions to Canada on potatoes by way of reductions from the United States statutory tariff rate of 75 cents per hundred-weight. Under GATT the United States has been obliged to admit at least 3.5 million bushels at a reduced rate of 37.5 cents per hundredweight; this has been made up of 1 million bushels of table stock and 2.5 million bushels of seed.

Under the new agreement, and as a condition of getting freedom of action to make the tariff changes which I am proposing, the United States is reducing the present tariff quotas by 1 million bushels; 400,000 bushels will be taken off the table stock quota and 600,000 bushels will come off the seed quota.

That was my interpretation of the arrangements that were made, and I hope that that is what is set out in the bill or in the schedule.

Hon. Mr. Connolly (Ottawa West): I thank the honourable gentleman for putting that extract from the *Hansard* of the other place on our record. My figures come from page 3159 of *Hansard* of the other place, of the same date, April 5. I quote:

Mr. Harris: Yes. My understanding is that the quota was 2.5 million bushels on seed potatoes and 1 million bushels on table stock. That is now cut down to 1.9 million bushels on seed potatoes and 600,000 bushels on table stock.

Hon. Mr. Davies: Could the bill not be referred to committee?

Hon. Mr. Connolly (Ottawa West): It could be referred to committee, if desired, but I think there would not be much point to it. This is the only problem.

Hon. Mr. Quinn: The only matter to clear up is the figures, is it not?

Hon. Mr. Taylor (Westmorland): May I point out that the figures quoted by the honourable senator from Ottawa West (Hon. Mr. Connolly) are exactly the same as I quoted a moment ago, except that they are twisted a little. What is meant is that the total quota has been reduced by 1 million bushels, according to my understanding. But the honourable senator said that the figure of 2.5 million bushels of certified seed had been reduced to 1 million bushels.

Hon. Mr. Connolly (Ottawa West): 1.9 million.

Hon. Mr. Taylor (Westmorland): I do not think you said that.

Hon. Mr. Connolly (Ottawa West): From 2.5 million to 1.9 million bushels, and from 1 million to 600,000 bushels. I am sorry I misled the honourable gentleman.

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

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): I move the third reading now.

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

EXCISE BILL

SECOND READING

Hon. John J. Connolly moved the second reading of Bill 409, an Act to amend the Excise Act.

He said: Honourable senators, this bill is the shortest of all the bills arising out of the budget. The act is Chapter 99 of the Revised Statutes of Canada, and it is a very lengthy act. It contains more than 200 sections. It imposes specific excise duties at so much per pound or so much per gallon upon such commodities as alcohol, spirits, wines, beers, tobacco, cigars and cigarettes.

By this bill an amendment is made to schedule 5 of the act. At present this schedule imposes a specific excise duty of 20 cents per pound on Canadian raw leaf tobacco when sold for consumption. Canadian raw leaf tobacco means tobacco grown in Canada in its natural state and not further processed than cured and tied in hands. That is the definition that is given under the regulations. The excise duty of 20 cents a pound is now reduced to 10 cents a pound. This, I am told, is a small concession to the ever-diminishing number of people who use tobacco in this particular form. Heretofore, I understand, the total revenue from this item has been about a quarter of a million dollars. It will now be reduced somewhat.

Hon. Mr. Davies: What is the exact difference between the Excise Tax Act and the Excise Act?

Hon. Mr. Connolly (Ottawa West): The Excise Act imposes specific excise duties at so much per pound or so much per gallon upon special types of commodities. It is another vehicle for getting revenue for the Government,—perhaps, as in any other tax measure of this kind, from sources chosen in a somewhat arbitrary way. It is a source of revenue or a means of providing revenue which is established by Parliament. The

commodities specifically dealt with under this act are of a special type, including alcohol, spirits, wine, beer, vinegar, tobacco—articles which may in some degree be regarded as luxury items.

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

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): I move the third reading now.

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

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill 411, an Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System during the calendar year 1957, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: This, honourable senators, is the usual annual financing bill for the Canadian National Railways which normally comes to us towards the end of a parliamentary session.

There are three principal items of capital expenditures, all of which are set out in section 3 of the bill. The first, and by far the most important, is the capital expenditures which are sought to be sanctioned for the present calendar year, 1957, and which will be found itemized at the top of page 2, in the total of \$318,707,000. I should point out to the house that that figure is not entirely accurate, because from it should be deducted the amount of \$36 million, representing work which is expected not to be completed by the end of 1957 and so will not be paid for in that year. The real amount which is sought to be authorized under this item for expenditure in the current calendar year is \$282,707,000. That, of course, is a very formidable figure; but before I discuss it I should like to refer, as a matter of interest to honourable senators, to the similar bill which we authorized last year, and to inform the house what happened under that bill.

In 1956 the Canadian National Railways asked for authority to spend in that year \$233,500,000. Actually under that authorization they spent \$218 million in 1956, and this was provided for in three ways. First, \$82 million came out of revenues which had been appropriated to depreciation and other reserves—in other words, from last year's

revenues. Second, \$23 million represented 4 per cent preferred stock of the railway company which was sold to the Government. Honourable senators will remember that in 1952, in the Canadian National Railways Financing Act, a provision was inserted to the effect that each year the Minister of Finance should purchase from the Canadian National Railway Company an amount of 4 per cent preferred stock equal to 3 per cent of the gross railway revenues of the company for that year; and this \$23 million represents the figure of preferred stock which was purchased by the minister from the railway company under that statutory enactment. Third, the remaining \$112 million of this \$218 million which was spent in 1956 was obtained by loans from the Government of Canada. So, to look briefly at the picture of what happened in 1956, of the \$218 million of capital expenditures in that year, \$112 million represented additions to the permanent debt of the Canadian National Railways.

A railway is a very expensive proposition. It needs from time to time vast amounts of additional capital for improvements, extensions and additions. I thought the house might be interested in a comparison of the capital expenditures of the Canadian National Railways in 1956, totalling \$218 million, with capital expenditures made in the same year by its great rival, the Canadian Pacific Railway. Those figures appear in the annual report of the Canadian Pacific Railway which came out a few days ago. It is interesting to observe that last year the Canadian Pacific Railway showed capital expenditures of \$107 million for modernization, expansion and replacement. I think that figure can be substantially compared with the figure of \$218 million spent by the Canadian National Railways in the same year. Probably there are some good reasons why the Canadian National Railways capital expenditures were a good deal larger than those of the Canadian Pacific Railway. For one thing, the C.N.R. is a substantially larger system. It is almost 50 per cent larger than the C.P.R. For example, in 1956 the railway revenues of the Canadian National were \$790 million, whereas the railway revenues of the C.P.R. were slightly over \$500 million. Furthermore, there are a certain number of expenditures made by the C.N.R. which are not made by the C.P.R. Several branch lines have been authorized to be built by the C.N.R. over the last two or three years, and in addition to that the C.N.R. is responsible for providing the finances for the Trans-Canada Air Lines.

Further on this subject of comparisons, I was interested to see that the annual report of the Canadian Pacific Railway Company asks its shareholders to appropriate for

the current year—that is 1957—capital expenditures of \$126,400,000. That figure compares with the proposed capital expenditures for the C.N.R. under this bill of \$282,707,000.

Hon. Mr. Davies: Would the C.P.R. figure include its steamship operations?

Hon. Mr. Hugessen: I assume so, yes.

Hon. Mr. Quinn: The C.N.R. also included its steamship operations in its statement.

Hon. Mr. Hugessen: Yes. Of course the C.P.R. also has some airplane operations, through the Canadian Pacific Air Lines, but they are not nearly as extensive as those of the Trans-Canada Air Lines.

Hon. Mr. Isnor: Does the Canadian National Railways not issue a separate report with respect to its steamship operations? I thought those operations came under the heading of the Canadian National (West Indies) Steamships, Limited.

Hon. Mr. Hugessen: I think my honourable friend is right.

I should like to refer for a few minutes to the details of this figure of \$304,707,000 which appears at the top of page 2 under the heading of Gross Capital Expenditures. There are five different items under this heading. The first is expenditures of \$118,605,000 for road property. From this, however, should be deducted the \$36 million for expenditures for uncompleted work that I referred to a few minutes ago, leaving expenditures for the current year for road property at \$82,605,000. That is for general improvements on the railway system, of which I have fairly complete details here. They will be available to honourable senators if and when this bill receives second reading and goes to committee.

This heading of road property is broken down into a number of items for the different regions of the system. The subheadings are roadway improvements, large terminals, communications, buildings, yard tracks and sidings, roadway and shop machinery, signals, highway crossing protection, line diversions and general. They total \$82,605,000.

The second item under gross capital expenditures is branch line construction. The particulars of this item also will be available in committee. There is only one really important branch line in respect of which capital expenditures are expected to be made in the current year, and that is the line in the province of Quebec between Beattyville, Chibougamau and St. Felicien. It is expected that \$9,470,000 will be spent on this line.

There is also a line in the province of New Brunswick from Bartibog to the Heath Steele Mines, which is expected to cost \$2,100,000,

making a total, with a few minor items, of \$11,820,000. From this total, however, there is to be deducted a subsidy of \$2,375,000 voted by Parliament for the Beattyville-Chibougamau-St. Felicien line, bringing the net total to the figure shown in the bill, \$9,445,000.

The next item under gross capital expenditures is \$12,631,000 for hotels. Of that amount by far the largest proportion, \$12,300,000, is expected to be spent on the Queen Elizabeth Hotel in Montreal.

The next item is a very large one, \$147,569,000, for equipment. Honourable senators will realize that there are three principal items of equipment expenditure which the railway company is forced to make under present conditions. The first is for dieselization of its motive power. The second is for modernization of its passenger equipment, and the third is for acquisition of large numbers of additional freight cars to meet the growing requirements for freight cars as a result of the great prosperity now prevailing in the country. Of this item of \$147,569,000, nearly \$87 million is represented by payments for equipment which has already been authorized by Parliament but which will not be delivered and paid for until this current year. Authority is also being requested for the ordering of additional equipment estimated to cost some \$132 million, of which approximately \$54 million is expected to be paid in the current year. This expenditure involves new orders for 373 locomotives, 92 passenger train cars, 3,800 freight cars, and so on. The locomotives, of course, are all diesel locomotives and form part of the long-term dieselization program of the motive power division of the railway company.

The fifth item under the heading of gross capital expenditures is \$16,457,000 for investment in affiliated companies. That represents very largely the advances made by Canadian National Railways to the Trans-Canada Air Lines for which, as I said, and as honourable senators know, the Canadian National Railways is responsible. Of that \$16 million odd the company expects to advance \$13 million to Trans Canada Air Lines during the current year.

There are two further items of additional working capital, totalling \$14 million, which, with the items I have mentioned, make this total of capital expenditures asked for 1957 of \$282,707,000.

Hon. Mr. Davies: Has the honourable senator the figures for operating revenues and expenditures of Canadian National Railways?

Hon. Mr. Hugessen: I have them both for last year, which are in the annual report for 1956, and the anticipated revenues and expenses for the current year, which are in this table of estimates, which will be available in the committee tomorrow morning.

Hon. Mr. Davies: I was just wondering what the deficit was.

Hon. Mr. Hugessen: Oh, there is not a deficit. In fact, there was a surplus last year of \$26 million, which was available to pay dividends on the preferred shares.

Hon. Mr. Davies: That is a change from two years ago.

Hon. Mr. Hugessen: Quite a change, yes.

Hon. Mr. Isnor: Have you the C.P.R. surplus for last year?

Hon. Mr. Hugessen: If I can find it, I can take it out of the annual report. It is a little difficult to tell exactly what the surplus was. The C.P.R. had railway revenues of \$505 million, and railway expenses of \$463 million, so that it had net earnings from the railway of \$41 million. I am using round figures. Then it had other income of \$30 million, which represents income from hotels and steamships, dividends from its shares of Consolidated Mining and Smelting Corporation, and other things, making a total net income of \$71 million. It had fixed charges of \$15 million, bringing the income down to \$55 million. Dividends amounted to \$27½ million, and the final balance was a surplus of \$28 million.

Hon. Mr. Isnor: For a smaller company?

Hon. Mr. Hugessen: Yes.

Hon. Mr. Pouliot: May I ask the honourable gentleman if we shall have a copy of the estimates of Canadian National Railways for the current year?

Hon. Mr. Hugessen: The estimates of income and expenditure?

Hon. Mr. Pouliot: I did not get my copy, as I did when I was a member of the House of Commons, and I wondered if we could have copies of the estimates tomorrow at the committee.

Hon. Mr. Hugessen: Oh, yes, that is just what will be available. I have a copy in my hand at the moment of what the company calls its operating budget for 1957, giving estimated operating revenues, expenses, fixed charges, and surplus. Copies of this paper, and details of the other items under discussion, will be available to the members of the committee tomorrow morning, as well as copies of the Canadian National Railways estimates for the current year.

It may be of interest to honourable senators to know how it is expected to finance this \$282 million of capital expenditures which are requested for the current year. This is the way they are expected to be financed: \$84½ million out of revenue, that is, revenue applied to depreciation and to debt discount amortization; \$24 million by the sale of 4 per cent preferred stock to the government under the statutory provision for the sale of preferred stock to which I referred a few minutes ago; and \$174 million by temporary loans from the dominion Government. So that by and large it is expected that as a result of this financing authorization sought in this bill, and assuming all these expenditures are made, the net long term debt of the Canadian National Railways will be increased by approximately \$175 million.

Hon. Mr. Isnor: I am not clear in regard to the amount of bonds. Is the Canadian National Railways going to float bonds to the extent of that amount?

Hon. Mr. Hugessen: No, that is not the way it is done. The dominion Government makes temporary advances to the Canadian National Railways for these surplus expenses, and those are sometimes funded by way of long term debt from the Canadian National Railways to the Government, and sometimes they are repaid by long-term bonded indebtedness of the Canadian National Railways itself, which are sold to the public and the proceeds refunded to the Government.

Hon. Mr. Isnor: And you mentioned 4 per cent?

Hon. Mr. Hugessen: Four per cent is the dividend rate on the preferred shares, which the minister buys every year from the Canadian National Railways to the extent of 3 per cent of the gross railway earnings of the company for the previous year.

Honourable senators, I admit this is rather complicated, and it is somewhat difficult to understand. I must apologize if I am not as clear as I ought to be.

Hon. Mr. Davies: You are doing fine.

Hon. Mr. Macdonald: You are very clear.

Hon. Mr. Hugessen: So much for the first item of capital expenditures sought under this bill.

Hon. Mr. Isnor: Before you leave that point, may I ask a question in connection with the road improvements you mentioned for the various regions? I am anxious to know that, because we are looking for an improvement in order to reduce the running times from Halifax to Montreal on the Ocean Limited, in the near future, and I understand a certain amount of money will be spent in improving

the road-bed. Would you be good enough to give us the amount that is allocated to the Atlantic region?

Hon. Mr. Hugessen: I do not know that I can give the honourable senator the exact figure for that particular purpose. All I can tell him is that of the \$82 million which the railway expects to use this year in road improvements, the Atlantic region, in which my friend is interested, is expected to spend \$12,800,000, and of that by far the largest item is under the heading "Roadway Improvements"—\$7,800,000—which I suppose is for improvements to rail, including ballast, track, and so on. Does that answer the question?

Hon. Mr. Isnor: Yes, that answers my question. It looks as if we might be able to reduce the running time from Halifax to Montreal.

Hon. Mr. Hugessen: The second item of expenditure which this bill seeks to have authorized by Parliament is for the first six months of the year 1958. That is to be found in paragraph (b) of section 3, subsection 1, which reads, in part, as follows:

to make capital expenditures not exceeding in the aggregate \$92,000,000 in the calendar year 1958 prior to the 1st day of July of that year, . . .

Honourable senators will appreciate the reason for that. We have dealt with the expenditures for 1957, but obviously the company will have to make capital expenditures in 1958. However, as will be realized, the bill to authorize these expenditures will not come before Parliament, in all probability, until the spring of 1958. So we have to give some preliminary authority to the railway company to incur capital expenditures during the first part of 1958, pending the bringing in of the financing bill for that year. That is an annual performance. This is the amount which the railway hopes Parliament will authorize it to spend during the first six months of 1958, a total of not more than \$92 million.

There again, honourable senators may ask me how the company expects to raise this \$92 million. The answer is it expects to produce \$42 million out of revenue received from depreciation and so on; \$12 million from the sale of 4 per cent preferred stock to the Government; and \$38 million by way of loans from the Government.

I should point out that the similar bill for last year asked for \$80 million; this year it is increased to \$92 million.

The third item, paragraph (c) on page 2, is not really an expenditure at all. It is an authorization which the company wishes to obtain to enter into contracts prior to July 1, 1958 for future betterments, principally, I imagine, for equipment, which will

come due for payment after 1957. It has nothing to do with this year's budget. It is a total not exceeding \$91,500,000. The actual money which may be spent under this authorization will form the subject of the financing bills that will be introduced next year and the year after, as these moneys happen to be spent.

Honourable senators, so far I have dealt with the capital expenditures which are to be authorized for 1957, and in a preliminary way for the first half of 1958. As I have said, for 1957 it is \$282,707,000, and \$92 million for the first half of 1958, making a total of \$374,707,000.

If honourable senators will turn to section 4 of the bill they will see that in respect of these expenditures it is sought to obtain authority to issue securities of the railway company amounting to \$248 million. The difference between \$374 million and \$248 million will be found in the explanatory note opposite page 1 of the bill. Briefly speaking, the difference arises in this way: the company expects to spend \$374 million, of which depreciation arising out of income will be \$84 million in 1957 and \$42 million in the first half of 1958, making a total of \$126 million, leaving the net figure for which the company asks the right to issue securities of \$248 million. From this latter figure, however, there will be deducted any preferred shares which the company may sell to the minister under the statutory provision to which I have referred. I am told that it expects, on the basis of its gross revenue for the two years, to sell approximately \$36 million of preferred shares to the minister. So the net amount of securities which the company will probably issue under section 4 of the bill will be \$248 million, less \$36 million in preferred shares, or a total of \$212 million, which will be added to the funded debt of the system.

The remainder of the bill calls, I think, for no comment. It is in precisely the same form as previous bills to which the house has been accustomed in prior years.

I should however direct the attention of the house to the fact that in section 11 the new policy is followed of including in the bill the appointment of Messrs. George A. Touche and Company as the auditors of the Canadian National Railways for the current year. Honourable senators will perhaps remember that until 1955 it was usual to pass a separate bill each year to appoint the auditors. There was no reason that I know of why that should have been necessary. But since 1955, and I think logically, the appointment of the auditors has been included in this financing bill.

There is one further thing I think I should say, looking at this bill in a very general way. These are very large capital expenditures proposed by the Canadian National Railways, and I think we should look at them against the background of the general economic situation which exists in the country at the present time. There is great economic activity; there are excessive calls upon the country's resources in men, materials and capital, and we have the resulting increase in interest rates and the threat of inflation.

I believe honourable senators will find that the officials of the Canadian National Railways are alive to this situation, and that they have sought, despite the very large figures that I have submitted to you, to reduce their capital requirements and cut them down from what they would have felt justified in asking for had conditions been different. In that connection I should like to quote to the house some remarks made by Mr. Donald Gordon, the President of the Railway, when he appeared before the House of Commons Committee on Railways and Shipping, on Tuesday, March 19 last. He said:

In developing the 1957 proposals we have had particular regard to the impact on the Canadian economy of large C.N.R. capital expenditures during a period of heavy demand upon the resources of the country. On the one hand we feel we have a basic obligation to provide efficiently for an important proportion of the massive and expanding transportation needs of the economy despite the impact of rising costs, while on the other hand no prudent and responsible management could ignore the influence which the capital program of an organization as large as the Canadian National has on the general price structure. The development of a capital program under such circumstances has not proved to be an easy task.

We decided to impose severe restraint on all recommendations reaching headquarters from our field officers and to insist that a high degree of essentiality must be demonstrated before projects were permitted into the budget now before you. In the course of this screening it will be of interest to record that we made reductions totalling some \$120 million. This reduction was painful since it entailed deferring projects from which we could have derived economic benefits and limiting expenditures on self-liquidating projects to those which will produce an unusually high rate of return.

For details of the sort of proposed expenditures which were cut down, I would like to quote another extract from Mr. Gordon's evidence before the committee of the other place. Mr. Hamilton of York West asked him this question:

You told us there was a ruthless cutting of the capital budget to assist in this anti-inflationary drive; yet the money to be spent this year, as I understand it, is going to be more than last year. Does that mean that you started out with a great many more demands than last year and you cut down on that amount?

Mr. Gordon replied:

No. It means that the rate in spending had got to the point that we were involved in projects that could not be stopped. A great deal of our 1957 expenses arise out of commitments which have been entered into. For instance, there was the matter of equipment. We had placed orders for equipment last fall in connection with the diesel program. We had to do so in order to get delivery any time this year. I can give you a general picture in that respect: that we had estimated our requirements in the first approach, what we would need in the way of equipment requirements on the basis of traffic our retirements of equipment and the figure for the utilization of equipment, and we budgeted for 7,600 units of equipment to take care of equipment of all kinds. But we cut that arbitrarily in half. We have not yet placed our orders for box cars because we are not satisfied with the prices quoted. We are now negotiating with the car companies telling them that we think their price is too high.

We have cut our planned dieselization program. We had it in mind this year to start complete dieselization by areas. You may remember that I said in previous committees that we would attack our dieselization program on the basis providing for specific services, in a five year program. We finished it last year and this year we started on complete dieselization on a territorial basis. Our plan was to start on each coast, west and east, and gradually complete it right towards central Canada. On the basis of that program we planned 654 units but we cut that down to 373 units. In other words we reduced it by 281 units which meant about \$58 million. That means that the progressive rate of our dieselization has been slowed down. We have just slowed the whole thing down on the basis that we are attempting to do too much and that the country is attempting to do too much having regard to its productive capacity.

I thought that that would be of interest to honourable senators as indicating that the officials of the Canadian National Railways, notwithstanding these enormous amounts to which I have referred, are fully aware of the necessity of not over-burdening the economy of the country.

If this bill receives second reading I will move that it be referred to the Standing Committee on Transport and Communications, and as is customary, officers of the railway company will appear before that committee and be prepared to answer questions, not only on this particular bill, but any other questions which honourable senators may wish to ask them with reference to the operations of the Canadian National Railways. As honourable senators know, this is our only opportunity to face the officials of the Canadian National Railways each year and to get them to tell us their story.

I might say that, in anticipation of the bill receiving second reading and going to the committee, I understand a meeting of the committee is to be called for 10.30 tomorrow morning and that the officials of the railway company who will appear before it are two gentlemen who have appeared before it on previous occasions, who always give us most intelligent and complete answers to every

question we ask. I refer to Mr. MacMillan, Vice-President, and Mr. Armstrong, the Comptroller.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hugessen, the bill was referred to the Standing Committee on Transport and Communications.

JUDGES BILL

SECOND READING

Hon. W. Ross Macdonald moved the second reading of Bill 416, an Act to amend the Judges Act.

He said: Honourable senators, this is not a very involved bill. It makes two changes in the Judges Act. Section 10 of the act reads:

The salaries of the judges of the Supreme Court of Nova Scotia are as follows:

	Per annum
(a) The Chief Justice of the Court ..	\$18,500
(b) The Judge in Equity	16,900
(c) Five other judges of the Court, each	16,900

There are now no longer any distinct proceedings in equity in Nova Scotia, and the Judicature Act of that province has been changed accordingly, so there is now no need for a judge in equity. The change proposed is that the act will read that there will be the Chief Justice and six other judges.

Hon. Mr. Davies: Will there be any changes in their salaries?

Hon. Mr. Macdonald: No change in salaries.

Hon. Mr. Davies: That's tough luck.

Hon. Mr. Macdonald: Up to now there have been seven judges but they have had different titles. One was called the Judge in Equity. There will be the same number of judges now but they will be judges of the court.

Hon. Mr. Davies: What is the difference between a judge of the court and a judge in equity?

Hon. Mr. Macdonald: At one time in that province there was a court in equity but there is none now.

Hon. Mr. Hugessen: No more equity in Nova Scotia!

Hon. Mr. Macdonald: There is equity, but no court of that name.

The other provision is with respect to the number of county court judges in the province of Ontario. At the present time there are 63 county court judges in Ontario and it is proposed to increase that number, and the necessary provision has been made in provincial legislation. The proposal is to appoint a junior judge in the county of Middlesex.

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

THIRD READING

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

Hon. Mr. Macdonald: I move the third reading now.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, April 10, 1957

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

Prayers.

Routine proceedings.

SENATE STATIONERY

LETTER-HEADS AND ENVELOPES IN DESKS OF BILINGUAL SENATORS—POINT OF PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators I rise on a point of privilege. From time immemorial in the desks of all members, bilingual or not, there has been only stationery with an English letter-head. It is time for reform and I suggest that the Senate should give instructions to whom it may concern that at least one pad of stationery with a French letter-head, and a package of envelopes printed in French, should be put in the desks of all bilingual senators. It would be an opportunity to win an easy victory over routine.

Hon. Mr. Macdonald: I shall be glad to bring the request of the honourable senator to the attention of those concerned. I see a possible difficulty, however. Whom would the honourable senator include within the term "bilingual"?

Hon. Mr. Pouliot: By "bilingual" I mean the senators who speak English and French, and those who speak Gallic, and any other language besides the official languages of Canada. I thank the honourable gentleman for helping the Senate to win another victory over routine.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the report of the committee on Bill 411.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications to whom was referred the Bill (411) intitled: "An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System during the calendar year 1957, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company", have in obedience to the order of reference of April 9, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

Hon. Mr. Hugessen: I move the third reading now.

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

NATIONAL FLAG

PROPOSED DESIGN—DEBATE ADJOURNED

Hon. Jean-François Pouliot moved, pursuant to notice:

That, in the opinion of the Senate, Canada should have a distinctive national flag consisting of a large green Maple Leaf (the colour of the House of Commons) as the National Emblem of Canada, on a red background (the colour of the Senate) without any other emblem of any kind on the fly.

He said: Honourable senators, I hope that all of you will consider my brief remarks as non-controversial. The other day I mentioned a proposal for a Canadian flag, and the motion as it is before us is just an illustration of an idea, which would be represented by other illustrations. I mean that the flag which Canada will fly may be very different from the one that is mentioned in my motion—future generations may adopt a different national emblem to put on the national flag.

I wonder if you would be interested, honourable senators, in being made acquainted with the answers that I have got since I spoke about the flag a few days ago.

From Toronto I received this impressive design which I am showing you, with three gold lions, three red maple leaves, and next to them three fleurs-de-lis and three other maple leaves. This is so complicated that it may cause a headache. The lion, being part of the royal arms, could not be put on any flag without special permission of the Herald in London. I wonder if the permission has been obtained. Anyway, we have no lions in Canada. The only lion we have in Canada is the cougar, which is called the wild lion of our forests, and it is not an animal which deserves to be on our flag. This is the first reply that I got and it comes from a gentleman in Toronto. It was the best flag designed by an adult, according to *Time* magazine, but *Time* magazine is not discriminating with regard to the designs of flags.

Another reply was from a young man in Montreal. His design represents a small maple leaf, which looks like a green apple, and there is a small Union Jack, a small French flag on a diagonal, and a star with the letters "UN", representing the United Nations. The maple leaf is for Canada, the

tricolour for French Canada, the Union Jack for the Commonwealth, and the United Nations star for peace. The idea is fine but the design is not good. I do not see how we could fly a flag like that.

I have another one. It shows a genuine maple leaf pasted on red and blue sections, the dividing line between them being vertical. That comes from Quebec City.

From Quebec City and from Toronto I received letters advocating the so-called union flag—not the Union Jack, but the league flag. It is a maple leaf between two triangles—a white triangle to represent the people of French origin, and a red triangle to represent the people of English origin. I say again I have never held that a white triangle could represent the people of French origin in Canada, nor that a red triangle could represent Canadians of British origin. I will read my letter: it was addressed to a correspondent in Toronto.

Many thanks for your letter of April 9, concerning a national flag for Canada. The reason I am not enthusiastic for the flag depicted on the letter-head of your stationery is that, according to the standards of heraldry, triangular flags were those of the illegitimate branches of a family.

For this reason I thought that that flag was improper. I will not enlarge on this any more, since there are ladies amongst us.

From the vicinity of Ottawa I received an illustration of a proposed flag which I am now exhibiting. It has a red background, with ten small maple leaves in the left top corner. You cannot imagine what is shown in a circle on the red portion: it is a rodent, a beaver. Although the beaver is a very industrious creature, I do not think we should have a rodent on our flag. I answered the gentleman who sent me this illustration by telling him that I congratulated him on his interest as displayed in a so-called Canadian flag. But evidently it is impossible to have a true Canadian flag at the present time, because the people of Canada must first be educated in the meaning of a national flag and the significance of the emblems which appear upon it. That brings me to the science of heraldry. The best description of this science appears in a booklet entitled *The Arms of Canada*. I have the fourth edition, which dates back to 1937. In this I read that armorial bearings were identification marks. At page 6 it says:

Young people of social position, though seldom taught to read or write, were carefully trained in armour; and when a competitor, for example, found himself in town the day before a tournament began, he could tell in a moment who were there by glancing at the shields which their owners had displayed.

Beginning with a simple use of badges and devices, heraldry developed into a science which did more than merely identify a man: it contrived

to make known in a small space a surprising amount of information about his social position and family history.

So heraldry dates back to the time when very few were taught to read and write. But they could read pictures, just as three- and four-year-old children are able to read pictures before they can read or write. Older people in those times were able to read the meaning of the shields used by each family.

With regard to the motion now before the house, I described the same flag on previous occasions and I received a letter from an elderly gentleman who lives near Montreal. He thinks that heraldry is the most important science in the world. He has the nobility particle in his name. He wrote:

Let me tell you gently of all the arts it is the heraldic art that you ignore most. Your flag, deprived of all eloquent symbolism, proves it. If you had sent your design to the Parliamentary Committee of 1954 . . .

His is all mixed up there.

Hon. Mr. Lambert: That Joint Parliamentary Committee functioned in 1945 and 1946.

Hon. Mr. Pouliot: Yes. The letter continues:

. . . it would have been simply thrown into the wastepaper basket.

A sincere friend, believe me.

It is signed "Mr. X".

There is some worry in the minds of important people; for instance, in the minds of no less important people than the General Synod of the Anglican Church. They authorized as their official colours the red cross of St. George set on a white field with a green maple leaf in each of the quarters. The idea is good, but I regret that the Anglican Church has left aside the crosses of St. Andrew and St. Patrick. But it is a suggestion. They are in need of a new flag. And the padre of the West Nova Scotia Regimental Association said at Charlottetown in September of last year that we should have a national flag. Many others have said that previously. Even the Indians have had some trouble about their own flag. I have here a newspaper picture of Mr. Jimmy Fraser, who belongs to the Songhees Tribe of Vancouver Island. He submitted a flag which was supposed to represent the Indians in Canada, but on the other hand a Canadian Press dispatch of last August had said that not all the Indians were in favour of that flag.

Honourable senators, what is our flag? It is the Red Ensign. But the Red Ensign dates back to the time of sailing vessels, when there was no wireless and men-of-war were distinguished from commercial schooners

by the use of different flags. The Red Ensign was for commercial schooners and the White Ensign for men-of-war. But navigation has made great progress, and I repeat that I do not see why the Union Jack should be minimized in the corner of the Maritime flag, including the Red Ensign that is used for the time being in Canada. It should be flown full-size, in the same way as the French flag, the American flag and the flags of most nations of the world. They are used for public and private purposes.

I have here a copy of an address I delivered from the Toronto Junior Board of Trade at the King Edward Hotel, Toronto, on March 22, 1955. However, there is nothing that embarrasses me more than to quote myself, so I will abstain from quoting any part of the speech, but what I will say is that I took to Toronto a design which consists of a bright green maple leaf on a bright red background. The only suggestion that I received which was different from that design came from a member of the Junior Board of Trade, who told me: "I am for your flag in reverse. I would like a red maple leaf on a green background."

I have another suggestion, from a gentleman who lives in West Gravenhurst, Ontario. He writes:

My suggestion for a flag for Canada is a maple leaf in fall colours (red, shaded with gold or brown) on a medium gray field. Yours for a decent future for our children. . . .

From the north, from Sudbury, I received a different suggestion:

. . . a single large green maple leaf on a gold background would immediately be recognized as the symbol and emblem of Canada all over the world as at the present time it is difficult for an amateur to distinguish and name many foreign flags.

The writer lives in the mining country, and it is not surprising that he suggests gold in the flag.

A young lady, a school child, wrote me that on the flag there should be the words: *Dieu et mon droit*. She wanted a truly distinctive Canadian flag. I said, "If we consider your suggestion politically the Canadian flag would be no longer the Canadian flag, with those words; they come from the arms of English royalty, and if you put it as a prayer that ensign will not any more be a flag, it will be a religious flag." she did not answer.

Well, now, the trouble with the Red Ensign is that it may be flown upside down—and it happened. On March 12, 1955 there was an item in the press to the effect that Red Ensigns persist in flying upside down on public buildings in Ottawa. At the recent conference in Bermuda the Union Jack was flown upside down, and it was taken for a distress signal; everybody was very much

concerned about it, according to the news in the press. It is a curious thing that one day I was passing the post office in Quebec city and over the post office I saw the Red Ensign with a big hole in it. When I returned to Ottawa I asked the Minister of Public Works if the hole in the flag was a part of our national emblem.

I could tell you much more, but I would like to come to this part of my speech by giving you a ray of hope. It is that there are some youths who have the right idea about the flag. Once one of my former colleagues of the House of Commons invited me to meet at luncheon some students from his county, in the province of Ontario. I gladly accepted, and there I met some very nice bright boys and girls who came from western Ontario. Some time afterwards I received the following letter from one of those young ladies:

We are having debates in history. My debate topic is "Canada should have her own distinct National Flag".

I was wondering if you have any information about this. Could you send me designs of suggested flags for Canada?

I am taking the affirmative side of the debate, so I need about six substantial points for it.

Yours sincerely,

God be with you always!

Very nice! And this is her answer to my reply to that letter.

Dear Sir,

Today I am writing you not for more information about a flag but to thank you for your kindness in sending the information. It certainly came in handy today. The affirmative (my side) won. The students agreed that Canada should have her own flag.

Wishing you the best for the coming year, I remain,

So-and-so.

It is comforting to me that we have the right to expect that in the next generation, or in the generation after the next, Canadians will have a flag with one national emblem that will teach all the nations of the world that Canada is the finest country of the world.

But there are other signs of hope. Yesterday one of our esteemed colleagues showed me his design of a flag. It is the maple leaf as the emblem of Canada, with stripes, red, white and blue alternatively, the bars representing the provinces of Canada. It is a beautiful flag, indeed. Today another one of our esteemed colleagues told me that he was in favour of a large maple leaf in the centre of a white field; he prefers white to red. But all this is immaterial. I am not here to advocate the selection of one colour rather than another. All I want you to think about is that we should have a national flag in Canada. Three provinces out

of ten have their own flags. Nova Scotia has a beautiful flag, with the cross of St. Andrew on a white field, and the arms of the province; it was given to Nova Scotia centuries ago by King James. The next province to have a flag was Quebec. It has a very fine flag, which was adopted by the Legislature without a dissenting voice. You see it on the provincial buildings, on homes, and elsewhere. And recently the province of Newfoundland adopted its own flag. The provinces, just the same as individuals, have the right to have their own flag. Who can prevent it? It is the symbol of a large section of the country. And those three provinces are ahead of all the other provinces because they have realized the importance of having their own flags, which they use on all provincial public buildings, in Canada as well as outside this country.

If my honourable friend from Waterloo (Hon. Mr. Euler) is interested in having an answer to the question he asked a few days ago, I will tell him what I think. An imperialist is a man who wants his country to have a larger territory than its natural limits. I will explain: some years ago in the House of Commons I advocated the establishment of Canada as an empire by having the West Indies as our colony. We have no tropical climate, and I thought it was a bright idea that Canada should be an empire. But Mr. Bustamente, one of the leading statesmen of the Islands, said that I did not know what I was talking about, and his pride was offended. Instead of the West Indies becoming a colony of Canada, they became a dominion, part of the Commonwealth.

An imperialist is a gentleman who thinks that his country should be greater, and I admire him as long as he remains a citizen of that country. But if he goes elsewhere to live with his family and still thinks that the other country, any country, is greater and more important than the one in which he lives, then he is no longer an imperialist, but has become a colonial. I hope I am understood in that explanation. A colonial is the counterpart of an imperialist.

I would like to give some more information about a national flag, and I would like to show other designs. Therefore, I ask honourable senators to allow me to adjourn the debate.

On motion of Hon. Mr. Pouliot, the debate was adjourned.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, I have just received word that the bill having to do with hospital insurance is now being considered in the House of Commons and is likely to be passed there today. May I suggest that this house rise now, to re-assemble at the call of the bell, at approximately 8 o'clock.

The Senate adjourned during pleasure.

At 8.45 p.m. the sitting was resumed.

MIDDLE EAST

INQUIRY AND ANSWER

Hon. W. Ross Macdonald: Honourable senators, may I have your permission to revert to inquiries? I would like to answer the inquiry of the honourable senator from Victoria (Hon. Mrs. Hodges), for the honourable senator from Vancouver South (Hon. Mr. Farris), with respect to the Suez Canal, and Israel and Egypt and the actions of the United Nations. Answers to the questions have been obtained from the Secretary of State for External Affairs. Honourable senators will recall that on March 14 it was agreed, on motion of the honourable senator from Victoria, that the answers to this inquiry would be printed as an appendix to the *Debates of the Senate* and to the *Minutes of Proceedings of the Senate*.

For text of inquiry and answer, see appendix to today's Hansard, pp. 523-45.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald: Honourable senators, when the house rose this afternoon it was expected that the bill with respect to hospital insurance would have been passed by the House of Commons and be before us at this time for our consideration. I have been informed that several amendments are now being considered by that house and it is not likely that the bill will be passed there in time enough this evening for us to consider it this evening. Therefore, honourable senators, if I may be permitted to revert to motions, I would move that when this house rises today it stand adjourned until tomorrow morning at 11 o'clock.

The motion was agreed to.

The Senate adjourned until tomorrow at 11 a.m.

APPENDIX

(See p. 522)

I. Inquiry by the Honourable Senator Hodges, for the Honourable Senator Farris, respecting the Suez Canal and Israel and Egypt and the actions of the United Nations.

II. Answer to the inquiry.

I. INQUIRY

The Suez Canal

1. What provisions were made by the Constantinople Convention of 1888 to ensure freedom of navigation through the Suez Canal? Was Egypt a signatory of the convention?

2. What assurances, if any, were given by President Nasser that these provisions would continue to be applied following the nationalization of the Suez Canal Company in July 1956?

3. What rights did the United Kingdom retain in the Suez Canal area following withdrawal of its forces from the canal base under the 1954 Anglo-Egyptian agreement?

4. What offers had been made, and when, by the United States and the United Kingdom to assist Egypt in the construction of the Aswan Dam?

5. What promises, if any, were made by the Soviet Union to provide similar assistance?

6. Why did the United States and the United Kingdom withdraw their offers?

7. To what extent are the economies of the United Kingdom and France dependent on the free use of the Suez Canal for transportation of oil and other commodities?

8. What legal and constitutional rights has Egypt in respect of the Suez Canal, and what obligations does it owe to other nations regarding the operation of the canal?

9. In what publication or publications of the Canadian Government may summaries of developments in relation to the Suez Canal be found?

Israel and Egypt and the Actions of the United Nations

1. (a) How was the State of Israel created?

(b) Who was responsible for its establishment and what are the reciprocal responsibilities between that state and its creators?

2. (a) What have been Egypt's relations with Israel?

(b) What have been their mutual obligations under the 1949 armistice agreement?

(c) What has been the nature of the complaints of violations of these obligations which have come before organs of the United Nations?

(d) What has been the nature of the measures taken by United Nations bodies in dealing with these complaints?

3. (a) When did Egypt first refuse use of the Suez Canal to Israel?

(b) What reasons did Egypt give for this action?

(c) What action did the United Nations take on Israel's complaints?

4. To what extent and on what grounds has Egypt denied Israel the use of the Straits of Tiran?

5. (a) What were the conditions which made Israel feel justified in attacking Egypt?

(b) What were the declared objectives of Israel in its invasion of the Sinai Peninsula and Gaza?

6. (a) Was the Gaza strip included in Israel when that state was created?

(b) When and in what circumstances did Egypt obtain possession of the Gaza strip?

(c) Was Egypt's control of the Gaza strip comparable to the United States' acquisition of the Alaska panhandle?

7. (a) What efforts are being made to prevent future aggression against Egypt by Israel or against Israel by Egypt?

(b) What is the function of the United Nations Emergency Force in Egypt and the Gaza strip?

(c) Are these forces maintained there only by the tolerance of Egypt and subject to its consent?

8. In what publication or publications of the Canadian Government may accounts be found of developments in relations between Israel and its neighbours including Egypt and of United Nations intervention to ameliorate their relations?

II.

ANSWER

Replies by the Honourable the Secretary of State for External Affairs:

The Suez Canal

1. The preamble to the Constantinople Convention of October 29, 1888 states that the signatory powers—Great Britain, Austria-Hungary, France, Germany, Italy, The Netherlands, Russia, Spain and Turkey—were "desirous of establishing, by a Conventional Act, a definitive system intended to

guarantee, at all times and to all the Powers, the free use of the Suez Maritime Canal, and thus to complete the system under which the navigation of this canal has been placed by the Firman of His Imperial Majesty, the Sultan, dated February 22, 1866...". They agreed upon the following articles, which make up the operative part of the Convention:

"Article I. The Suez Maritime Canal shall always be free and open, in time of war as in time of peace, to every vessel of commerce or of war, without distinction of flag.

The Canal shall never be subject to the exercise of the right of blockade.

Article II. The High Contracting Parties, recognizing that the Fresh-Water Canal is indispensable to the Maritime Canal, take cognizance of the engagements of His Highness the Khedive towards the Universal Suez Canal Company as regards the Fresh-Water Canal; which engagements are stipulated in a Convention dated March 18, 1863, containing a preamble and four Articles.

They undertake not to interfere in any way with security of that Canal and its branches, the working of which shall not be the object of any attempt at obstruction.

Article III. The High Contracting Parties likewise undertake to respect the equipment, establishments, buildings and work of the Maritime Canal and of the Fresh-Water Canal.

Article IV. The Maritime Canal remaining open in time of war as a free passage, even to ships of war of the belligerents, under the terms of Article I of the present Treaty, the High Contracting Parties agree that no right of war, act of hostility or act having for its purpose to interfere with the free navigation of the Canal, shall be committed in the Canal and its ports of access, or within a radius of 3 nautical miles from those ports, even though the Ottoman Empire should be one of the belligerent Powers.

Warships of belligerents shall not take on fresh supplies or lay in stores in the Canal and its ports of access, except in so far as may be strictly necessary. The transit of the said vessels through the Canal shall be effected as quickly as possible, in accordance with the regulations in force, and without stopping except for the necessities of the service.

Their stay at Port Said and the roadstead of Suez shall not exceed 24 hours, except in case of putting in through stress of weather. In such case, they shall be bound to depart as soon as possible. A period of 24 hours shall always elapse between the sailings of a belligerent ship from a port of access and the departure of a ship belonging to the enemy Power.

Article V. In time of war, belligerent powers shall not discharge or take on troops, munitions, or war materiel in the Canal and its ports of access. In case of an accidental hindrance in the Canal, however, troops broken up into groups not exceeding 1,000 men, with a corresponding amount of equipment, may be embarked or disembarked at the ports of access.

Article VI. Prizes shall in all respects be subject to the same rules and regulations as the warships of belligerents.

Article VII. The Powers shall not keep any warship in the waters of the Canal (including Lake Timsah and the Bitter Lakes).

They may, however, have warships, the number of which shall not exceed two for each Power, stationed in the ports of access of Port Said and Suez.

This right shall not be exercised by belligerents.

Article VIII. The Agents in Egypt of the Signatory Powers of the present Treaty shall be charged to see that it is carried out. In any circumstance threatening the security and free passage of the Canal, they shall meet at the summons of three of them and under the presidency of their Doyen, to make the necessary verifications. They shall inform the Khedivial Government of the danger perceived, in order that it may take proper steps to assure the protection and the free use of the Canal. In any case, they shall meet once a year to take note of the due execution of the Treaty.

These latter meetings shall be presided over by a Special Commissioner appointed for that purpose by the Imperial Ottoman Government. A Khedivial Commissioner may also take part in the meeting, and may preside over it in case of the absence of the Ottoman Commissioner.

They shall demand, in particular, the removal of any work or the dispersion of any assemblage on either bank of the Canal, the purpose or effect of which might be to interfere with the freedom and complete safety of navigation.

Article IX. The Egyptian Government shall, within the limits of its powers based on the Firmans, and under the conditions provided for in the present Treaty, take the necessary measures for enforcing the execution of the said Treaty.

In case the Egyptian Government should not have sufficient means at its disposal, it shall appeal to the Imperial Ottoman Government, which shall take the necessary measures for responding to such appeal, give notice thereof to the other Signatory Powers of the Declaration of London of March 17, 1885, and, if necessary, consult with them on the matter.

The provisions of Articles IV, V, VI, and VII shall not stand in the way of the measures taken by virtue of the present Article.

Article X. Likewise, the provisions of Articles IV, V, VII, and VIII shall not stand in the way of any measures which His Majesty the Sultan and His Highness the Khedive in the name of His Imperial Majesty, and within the limits of the Firmans granted, might find it necessary to take to assure by their own forces the defense of Egypt and the maintenance of public order.

In case His Imperial Majesty the Sultan or His Highness the Khedive should find it necessary to avail himself of the exceptions provided for in the present Article, the Signatory Powers of the Declaration of London would be notified thereof by the Imperial Ottoman Government.

It is also understood that the provisions of the four Articles in question shall in no case stand in the way of measures which the Imperial Ottoman Government considers it necessary to take to assure by its own forces the defense of its other possessions situated on the eastern coast of the Red Sea.

Article XI. The measures taken in the cases provided for by Articles IX and X of the present Treaty shall not interfere with the free use of the Canal. In the same cases, the erection of permanent fortifications contrary to the provisions of Article VIII is prohibited.

Article XII. The High Contracting Parties, by application of the principle of equality as regards free use of the Canal, a principle which forms one of the bases of the present Treaty, agree that none of them shall seek, with respect to the Canal, territorial or commercial advantages or privileges in any international arrangements that may be concluded. Furthermore, the rights of Turkey as the territorial Power are reserved.

Article XIII. Aside from the obligations expressly provided for by the clauses of the present Treaty, the sovereign rights of His Imperial Majesty the Sultan and the rights and immunities of His Highness the Khedive based on the Firmans are in no way affected.

Article XIV. The High Contracting Parties agree that the engagements resulting from the present Treaty shall not be limited by the duration of the Acts of Concession of the Universal Suez Canal Company.

Article XV. The stipulations of the present Treaty shall not interfere with the sanitary measures in force in Egypt.

Article XVI. The High Contracting Parties undertake to bring the present Treaty to the knowledge of those States which have not signed it, inviting them to accede thereto.

Article XVII. The present Treaty shall be ratified, and the ratifications thereof shall be exchanged at Constantinople within one month or sooner if possible."

Egypt was not a signatory to the Convention of 1888. At that time Egypt was a part of the Ottoman Empire. Since attaining independence it has affirmed that it is bound by the Convention.

2. A statement by President Nasser, giving assurances that freedom of navigation in the Canal would not be affected by the nationalization of the Suez Canal Company, was circulated on July 31, 1956, to all diplomatic missions in Cairo. It was worded as follows:

"On July 26 the Suez Canal Company was nationalized. This exercise by the Egyptian Government of its rights has, however, given rise to some opposition from a few Governments, particular those of France and Britain. Such opposition is devoid of all foundation. The Suez Canal Company has always been an Egyptian company, and, like all other Egyptian companies, liable to be nationalized. This nationalization does not in any way or to any extent affect Egypt's international commitments.

"We are determined as ever to honour all our international obligations, and both the Convention of 1888 and the assurance concerning it given in the Anglo-Egyptian Agreement of 1954 will be fully maintained. Freedom of navigation on the Suez Canal is neither affected nor involved in any manner or to any degree. No one could be more interested than Egypt in the freedom of passage through the canal.

"We are certain that traffic through the Canal will in the coming years justify all our hopes and those of the whole world. Egypt is confident of the righteousness of her stand. She will not be deflected from the course she has charted for herself, but will proceed in the service of her own interests and those of the world community of nations."

3. The text of the "Anglo-Egyptian Agreement Regarding the Suez Canal Base" dated October 19, 1954 is as follows:

"The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Egypt,

Desiring to establish Anglo-Egyptian relations on a new basis of mutual understanding and firm friendship, have agreed as follows:

Article 1. Her Majesty's Forces shall be completely withdrawn from Egyptian territory in accordance with the Schedule set forth in Part A of Annex I within a period of twenty months from the date of signature of the present agreement.

Article 2. The Government of the United Kingdom declare that the Treaty of Alliance signed in London on the 26th of August, 1936, with the Agreed Minute, Exchanged Notes, Convention concerning the immunities and privileges enjoyed by the British Forces in Egypt and all other subsidiary agreements, is terminated.

Article 3. Parts of the present Suez Canal Base, which are listed in Appendix A to Annex II, shall be kept in efficient working order and capable of immediate use in accordance with the provisions of Article 4 of the present Agreement. To this end they shall be organized in accordance with the provisions of Annex II.

Article 4. In the event of an armed attack by an outside Power on any country which at the date of signature of the present Agreement is a party to the Treaty of Joint Defence between Arab League States, signed in Cairo on the 13th of April, 1950 or on Turkey, Egypt shall afford to the United Kingdom such facilities as may be necessary in order to place the Base on a war footing and to operate it effectively. These facilities shall include the use of Egyptian ports within the limits of what is strictly indispensable for the above-mentioned purposes.

Article 5. In the event of the return of British Forces to the Suez Canal Base area in accordance with the provisions of Article 4, these forces shall withdraw immediately upon the cessation of the hostilities referred to in that Article.

Article 6. In the event of a threat of an armed attack by an outside Power on any country which at the date of signature of the present Agreement is a party to the Treaty of Joint Defence between Arab League States or on Turkey, there shall be immediate consultation between Egypt and the United Kingdom.

Article 7. The Government of the Republic of Egypt shall afford over-flying, landing and servicing facilities for notified flights of aircraft under Royal Air Force control. For the clearance of any flights of such aircraft, the Government of the Republic of Egypt shall accord treatment no less favourable than that accorded to the aircraft of any other foreign country with the exception of States parties to the Treaty of Joint Defence between Arab League States. The landing and servicing facilities mentioned above shall be afforded at Egyptian Airfields in the Suez Canal Base area.

Article 8. The two Contracting Governments recognize that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance, and

express the determination to uphold the Convention guaranteeing the freedom of navigation of the Canal signed at Constantinople on the 29th of October, 1888.

Article 9. (a) The United Kingdom is accorded the right to move any British equipment into or out of the Base at its discretion.

(b) There shall be no increase above the level of supplies as agreed upon in Part C of Annex II without the consent of the Government of the Republic of Egypt.

Article 10. The present Agreement does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations.

Article 11. The Annexes and Appendices to the present Agreement shall be considered as an integral part of it.

Article 12. (a) The present Agreement shall remain in force for the period of seven years from the date of its signature.

(b) During the last twelve months of that period the two Contracting Governments shall consult together to decide on such arrangements as may be necessary upon the termination of the Agreement.

(c) Unless both the Contracting Governments agree upon any extension of the Agreement it shall terminate seven years after the date of signature and the Government of the United Kingdom shall take away or dispose of their property then remaining in the Base.

Article 13. The present Agreement shall have effect as though it had come into force on the date of signature. Instruments of ratification shall be exchanged in Cairo as soon as possible."

It should be noted that the signatory powers, in an agreed Minute related to the signing of the Agreement, specifically agreed that the term "outside power" used in Articles 4 and 6 should not include the State of Israel.

4. Discussions with Egypt regarding the provision of a total of \$70 million by the United States and the United Kingdom toward the cost of construction of the Aswan Dam project had been going on since late in 1955. The "offer" by the two governments may for practical purposes be said to date from December of that year. The International Bank for Reconstruction and Development had also agreed, in February 1956, to participate "when requested" in the foreign financing of the Aswan scheme to the extent of \$200 million.

5. Although there were numerous press reports late in 1955 and during the first seven months of 1956 about offers of financial assistance by the Soviet Union for the Aswan

project, the Government has no official information as to the existence or extent of any such offers. It may be of interest to note that on July 22, 1956, three days after the State Department announced withdrawal of the United States offer, the Soviet Foreign Minister stated publicly that the Soviet Union did not regard the question of financing the Aswan Dam as an urgent problem, since there were "many other problems not less vital for the Egyptian economy, particularly those connected with industrialization". He reiterated that the Soviet Union would give "favourable and friendly consideration" to any request for economic aid which Egypt might make.

6. The Egyptian Government was informed by the United States on July 19, and by the United Kingdom on July 20, that US and British participation in financing the projected Aswan Dam was "not feasible in present circumstances". The following explanatory statement was issued by the State Department:

"At the request of the Government of Egypt, the U.S.A. joined in December, 1955 with the United Kingdom and with the World Bank in an offer to assist Egypt in the construction of a High Dam on the Nile at Aswan. This project . . . would require an estimated 12 to 16 years to complete at a total cost estimated at some \$1,300,000,000, of which over \$900,000,000 represents local currency requirements. It involves not merely the rights and interests of Egypt, but of other States whose waters are contributory, including the Sudan, Ethiopia, and Uganda.

The December offer contemplated an extension by the U.S.A. and the U.K. of grant aid to help finance certain early phases of the work, the effects of which would be confined solely to Egypt, with the understanding that accomplishment of the project as a whole would require a satisfactory solution of the question of Nile water rights. Another important consideration bearing upon the feasibility of the undertaking, and thus the practicability of American aid, was Egyptian willingness and ability to concentrate its economic resources upon this vast reconstruction program.

Developments within the succeeding seven months have not been favourable to the success of the project, and the U.S. Government has concluded that it is not feasible in present circumstances to participate in the project. Agreement by the riparian States has not been achieved, and the ability of Egypt to devote adequate resources to assure the project's success has become more uncertain than at the time the offer was made.

This decision in no way reflects or involves any alteration in the friendly relations of the United States and Egypt. The U.S.A. remains deeply interested in the welfare of the Egyptian people and in the development of the Nile. It is prepared to consider at an appropriate time and at the request of the riparian States what steps might be taken toward a more effective utilization of the water resources of the Nile for the benefit of the peoples of the region. Furthermore, the U.S.A. remains ready to assist Egypt in its efforts to improve the economic condition of its people, and is prepared . . . to discuss these matters within the context of funds appropriated by Congress."

No statement was issued by the United Kingdom Foreign Office, other than the announcement that United Kingdom participation in the project was "not feasible in present circumstances".

The International Bank announced on July 24 that its offer of a loan of \$200 million had automatically expired, upon withdrawal of the United Kingdom and United States offers.

7. It is not possible to examine exhaustively within the scope of this reply the complex effects of the closing of the Suez Canal on the economies of the United Kingdom and France. However, some general statistics on United Kingdom and French traffic through the Suez Canal give an indication of the extent of the dislocation involved.

During 1955, the latest full calendar year during which the Canal was open to regular traffic, about 21 million tons of crude oil, or about 75 percent of the United Kingdom's requirements, came through the Suez Canal. Oil satisfies about 15 per cent of the total energy requirements of the United Kingdom. Nearly 25 percent of the United Kingdom's total import and export trade is with countries normally reached via the Canal.

About 22 percent of France's imports, including oil, and about 11 percent of its exports pass through the Suez Canal. Roughly 45 percent of France's oil supplies are normally imported through the Suez Canal.

8. Article VIII of the Anglo-Egyptian Treaty of Alliance of 1936 states that the Canal is an "integral part of Egypt" and there is an identical statement in Article 8 of the Anglo-Egyptian Agreement of 1954. There is a divergence of views concerning rights relating to the use of the Canal. Egypt's obligations regarding the operation of the Canal derive primarily from the provisions of the Constantinople Convention of 1888, the interpretation of which also is a matter of dispute. (See for example Article I of the Convention.)

9. A brief factual account of the major developments in the Suez Canal dispute up

to the end of December, 1956 may be found in the White Paper entitled "The Crisis in the Middle East".

Israel and Egypt and the Actions of the United Nations

1. (a) The State of Israel was created by a proclamation issued on May 14, 1948 signed by 37 persons representing the Jewish people in Palestine and the World Zionist Movement, who together composed a provisional government pending the establishment of duly elected bodies of the new state.

(b) Those mainly responsible for Israel's establishment were:

- (i) The persecutors of Jews in Europe.
- (ii) The World Zionist Movement, which for decades advocated and worked for a Jewish national revival in Palestine with the aid, particularly after 1929, of many non-Zionist Jews. Founded in 1897, the Zionist Movement "accepted a two-fold task, one the external struggle for political independence and the other the internal struggle to convince the Jewish masses to re-adapt their lives to the requirements of national independence". After years of internal educational work through Zionist federations in countries having considerable Jewish populations, and after failing in efforts to enlist the support of the Ottoman government then in control of Palestine, Zionist leaders secured from the British Government in the Balfour Declaration of November 2, 1917 a promise of support for the principle of the establishment in Palestine of a national home for the Jewish people. In 1919, after the British occupation of Palestine had begun, a survey of the situation in Palestine was made by a Zionist Commission and the work of raising funds for the establishment of Jewish immigrants in Palestine, for the purchase and development of land in the name of the Zionist movement and for the development of agricultural and industrial enterprise and a well-organized Jewish society in Palestine under Zionist auspices entered a new and more active phase. In 1942 the Zionist Movement, no longer willing to acquiesce in the regulation by others of Jewish immigration and land purchase in Palestine, committed itself publicly to the principle of creating a "Jewish Commonwealth" in Palestine in which Jewish control would be established over immigration and development policy. In 1947 the Zionist Movement accepted and worked for the principle of the partition of

Palestine in order that a Jewish sovereignty might be established in part of the country upon the termination of the British mandate.

- (iii) The Government of the United Kingdom, which administered Palestine under the terms of a League of Nations mandate providing among other things for the establishment in Palestine of a "national home" for the Jewish people without prejudice to "the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country". The British administration continued until the Jewish population of Palestine had increased from approximately 80,000 in 1919 to approximately 750,000 in 1948 and until about 7 per cent of the land of the mandated territory, including urban land, had passed into Jewish possession by gradual purchase. The United Kingdom Government, considering that the further development of the Jewish national home in Palestine was a matter on which the Jews and Arabs would have to agree between themselves in the interests of both parties, declined to be responsible for permitting Jewish immigration to continue indefinitely in the absence of such agreement and in April 1947 referred the question of the future of Palestine to the United Nations General Assembly.
- (iv) The United Nations. The General Assembly recommended on November 29, 1947 that the British mandate should be terminated in 1948 and that there should be created in Palestine independent Arab and Jewish states of approximately equal area, together with an internationally administered City of Jerusalem, the three political units to be within the framework of a single economic union. (For text of resolution see *United Nations, Official Records of the Second Session of the General Assembly, Resolutions*, pages 131-150 and end-map.) This recommendation was not accepted by the Arabs, who demanded the creation of a single independent Palestinian state with its existing population, one third Jewish and two thirds Arab. Claiming that they had a right to resort to arms to prevent the loss of territory involved in the Assembly's partition plan, part of the Arab population of Palestine engaged in guerrilla warfare against the Jews, with the aid of irregulars who came to their assistance from neighbouring Arab countries. The Assembly

resolution, which called for a phased transfer of authority by the mandatory power through a United Nations Commission to Jewish and Arab Provisional Councils of Government, could not be put into effect in the disturbed conditions then prevailing, but having recommended the principle of partition the majority of members of the United Nations continued to give it the benefit of their moral support. The Security Council intervened, beginning in the first week of March 1948, in an effort to bring hostilities in Palestine to an end. Its continuous intervention and the various truce arrangements made (see 2(a) below) had some effect on the fortunes of the contestants and on the ultimate position of the truce lines. It was also due in large part to the efforts of the Security Council and United Nations personnel that armistice agreements were concluded in 1949 which gave sufficient promise of stability to permit the United Nations to admit Israel to membership on May 11 of that year.

- (V) The Jews of Palestine. Under British protection and with aid sent by Jews and other sympathizers living abroad, the growing community of Jews of Palestine established for themselves the elements of the national home foreshadowed in the Balfour Declaration of November 2, 1917. This involved the rapid absorption of Jewish immigrants simultaneously with the development of agricultural settlements, industrial enterprises, educational and social institutions, health services and all other activities required for the growth of a closely knit, well-organized society. As the tide of Jewish immigration swelled and the Arab majority in Palestine began first to be apprehensive of the effects of the continued growth of the Jewish national home and later to resist that growth by demonstrations, strikes, riots and finally by open violence, self-defence took an increasingly important place in the program of the Jewish community. Trained Jewish para-military formations were available to retaliate against the Arab irregular forces which took up arms in December 1947 to prevent the partition of Palestine. When the mandate ended on May 14, 1948 the army of Israel came into conflict not only with Arab irregulars but also with units of the regular forces of Egypt in the south, of Transjordan and Iraq in the centre, and of Syria

and Lebanon in the north which had entered Palestine to fight against the implementation of the United Nations decision on partition and for the establishment of a government responsive to the wishes of the Arab majority. The fighting increased in scope and intensity as the British withdrew and was carried on in areas populated largely by Arabs as well as in areas of Jewish settlement. After the arrival of adequate supplies of arms in June 1948, the Israelis launched drives through which they gained possession of roughly three-quarters of Palestine, the Arabs remaining in control of two distinct areas. The first of these was the small Gaza strip, on which Egyptian forces were based. The second was central Palestine west of the Jordan River, defended by Transjordanian and Iraqi forces, which was incorporated in the Hashemite Kingdom of Jordan in April 1950. Israel claimed sovereignty over the remainder of Palestine, although in demilitarized zones on the Syrian and Egyptian frontiers it agreed to certain restrictions pending the conclusion of a peace settlement.

Mutual responsibilities of the mandatory power and the Jews of Palestine were set forth in articles of the mandate and in regulations issued by the mandatory power. These came to an end at midnight on May 14-15, 1948, at the moment when the State of Israel came into existence, the mandate being then extinguished.

Reciprocal responsibilities of Israel and the United Nations, to the extent that they are defined in the Charter, are the same as the responsibilities existing between the United Nations and all other member states, who are bound under Article 25 of the Charter "to accept and carry out the decisions of the Security Council in accordance with the present Charter". Like other parties to the Palestine conflict, Israel is bound by the Security Council's resolution of July 15, 1948, in which the Security Council ordered the parties "to desist from further military action" and decided that "subject to further decision by the Security Council or the General Assembly the truce shall remain in force... until a peaceful adjustment of the future situation of Palestine is reached". Although in its resolution of August 11, 1949 the Security Council considered that the armistice agreements "supersede the truce" provided for in the resolution of July 15, 1948 it reaffirmed "pending the final peace settlement" the "order" contained in that resolution "to the governments and authorities concerned pursuant to Article 40 of the United

Nations Charter to observe the unconditional ceasefire". The United Nations undertook responsibility, meanwhile, for providing through its Truce Supervision Organization the officers required both to observe the carrying out of the truce order under the July 15, 1948 resolution and to provide the international element required for the proper functioning of the Mixed Armistice Commissions. For specific references in the armistice agreement between Israel and Egypt to other Security Council resolutions see 2 (b) below.

Mutual responsibilities of Israel and the World Zionist Organization, known also as the Jewish Agency for Palestine, are set forth in a Covenant dated July 26, 1954 which was based on a law on the status of the Jewish Agency adopted by Israel's Parliament on November 24, 1952. This law opened with a declaration that "The State of Israel regards itself as the creation of the entire Jewish people, and its gates are open... to every Jew wishing to immigrate into it". In a second paragraph it went on to declare that "The World Zionist Organization... with the assistance of other Jewish circles and bodies, carried the main responsibility for establishing the State of Israel". The State of Israel recognized the World Zionist Organization as "the authorized agency which will continue to operate in the State of Israel for the development and settlement of the country, the absorption of immigrants... and the co-ordination of the activities in Israel of Jewish institutions and organizations active in those fields". The State of Israel "expects the co-operation of all Jews, as individuals and groups, in building up the State and assisting the immigration into it of the masses of the people and regards the unity of all sections of Jewry as necessary for this purpose. The State of Israel expects efforts on the part of the World Zionist Organization for achieving this unity". The Covenant of July 26, 1954 between the Jewish Agency and the State of Israel set forth in greater detail the functions of the Zionist Executive or Jewish Agency Executive. It provided that "Any activity carried out in Israel by the Executive or on its behalf for the purpose of carrying out the said functions, or part of them, shall be executed in accordance with the laws of Israel." In organizing immigration and the handling of immigrants the Executive was to act "on the basis of a plan agreed on with the Government or authorized by the Co-ordination Board". The Executive might not "delegate any of its functions or rights under the Covenant without the agreement of the Government". The Executive would "be responsible for the mobilization of the financial

and material resources required for the execution of its functions," by means of two funds of long standing "and other funds".

2. (a) (i) From May 14 to June 11, 1948 Egypt and Israel were engaged in open hostilities. An Egyptian military force occupied part of the area recommended by the General Assembly for inclusion in the Arab state and held as well certain areas which had been recommended for inclusion in the Jewish state.

(ii) From June 11 to July 8 both sides observed more or less fully an agreed one-month truce reached with the help of the United Nations Mediator, Count Bernadotte. Hostilities were renewed for a week after this agreed truce ended.

(iii) On July 15, 1948, in the absence of a renewal of the agreed truce, a truce was imposed on the parties by the United Nations Security Council.

(iv) This was more or less effective until October 15. On that date Egyptians attacked an Israeli food convoy in southern Palestine. The Israeli army retaliated in a drive which lasted for a month and resulted in reducing the area held by Egyptian troops to the small Gaza strip, the Falluja pocket near by and an area farther east.

(v) From November 16 to December 22 there was a relative degree of compliance with the Security Council's imposed truce.

(vi) On December 22 there began a second Israeli drive, which ended with a brief invasion of Egyptian territory in the Sinai Peninsula.

(vii) On January 4, 1949 the Security Council's truce was effectively re-established and continued to regulate the relations between Egypt and Israel until February 24, 1949, when an armistice agreement between the two countries was signed at Rhodes.

(viii) From February 24, 1949, to October 29, 1956 the armistice regime continued, but with violations by both sides.

(ix) On October 29, 1956 Egyptian territory was invaded by Israeli troops, whose withdrawal in accordance with requests from the United Nations General Assembly was completed on March 8, 1957.

(b) For the text of the armistice agreement see *United Nations, Official Records of the Security Council, Fourth Year, Special*

Supplement No. 3. The following is a condensed summary of the provisions, with the addition of explanatory material in parenthesis:

Preamble

The parties are described as "responding to the Security Council resolution of 16 November 1948 calling upon them, as a further provisional measure under Article 40 of the Charter of the United Nations and in order to facilitate the transition from the present truce to permanent peace in Palestine, to negotiate an armistice". The parties are also described as "having decided to enter into negotiations under United Nations chairmanship concerning the implementation of the Security Council resolutions of 4 and 16 November 1948". The purpose of the first of the resolutions referred to in this passage was to put a stop to the fighting which had broken out in southern Palestine on October 15, 1948 in violation of the Security Council's truce order of July 15, and to have "permanent truce lines" established either through direct negotiations between Israel and Egypt or "through the intermediaries in the service of the United Nations". The resolution of November 16, the second mentioned in the preamble, recalled the Security Council's resolution of July 15, 1948 "which determined that the situation in Palestine constitutes a threat to the peace within the meaning of Article 39 of the Charter". It went on to say that "in order to eliminate the threat to the peace in Palestine, and to facilitate the transition from the present truce to permanent peace in Palestine", the Security Council had decided that "an armistice shall be established in all sectors of Palestine". It called upon the parties "as a further provisional measure under Article 40 of the Charter, to seek agreement forthwith . . . with a view to the immediate establishment of the armistice, including (a) the delineation of permanent armistice demarcation lines . . . (b) such withdrawal and reduction of their armed forces as will ensure the maintenance of the armistice during the transition to permanent peace in Palestine".

Article One. "With a view to promoting the return of permanent peace in Palestine and in recognition of the importance in this regard of mutual assurances concerning the future military operations of the parties, the following principles, which shall be fully observed by both parties during the armistice, are hereby affirmed:

"1. The injunction of the Security Council against resort to military force in the settlement of the Palestine question shall henceforth be scrupulously respected by both parties;

"2. No aggressive action by the armed forces land, sea or air, of either party shall be undertaken, planned or threatened against the people or the armed forces of the other . . .

"3. The right of each party to its security and freedom from fear of attack by the armed forces of the other shall be fully respected;

"4. The establishment of an armistice by armed forces of the two parties is accepted as an indispensable step toward the liquidation of armed conflict and the restoration of peace in Palestine."

Article Two

"1. In pursuance of the foregoing principles and of the resolutions of the Security Council of 4 and 16 November, 1948 a general armistice between the armed forces of the two parties by land, sea and air is hereby established;

"2. No element of the land, sea or air military or para-military forces of either party, including non-regular forces, shall commit any warlike or hostile act against the military or para-military forces of the other party, or against civilians in territory under the control of that party; or shall advance beyond or pass over for any purpose whatever the armistice demarcation line . . . (except as in Article III) . . . and elsewhere shall not violate the international frontier (a line running from the south end of the Gaza strip to the Gulf of Aqaba) or enter or pass through the air space of the other party or through the waters within three miles of the coastline of the other party."

Article Three

The single exception to the rule against allowing armed forces to cross the armistice line was to permit the Egyptian military unit which had held out for months at Falluja to be withdrawn (with arms and equipment) under United Nations supervision.

Article Four

"With specific reference to the implementation of the resolutions of the Security Council of 4 and 16 November 1948, the following recognized principles and purposes are affirmed:

"1. The principle that no military or political advantage should be gained under the truce ordered by the Security Council is recognized.

"2. It is also recognized that the basic purposes and spirit of the armistice would not be served by the restoration of previously held military positions or changes from those now held, other than as specifically provided for in this agreement, or by the advance of

the military forces of either side beyond positions held at the time this Armistice Agreement is signed.

"3. It is further recognized that rights, claims or interests of a non-military character in the area of Palestine covered by this agreement may be asserted by either party, and that these, by mutual agreement being excluded from the armistice negotiations, shall be, at the discretion of the parties, the subject of later settlement. It is emphasized that it is not the purpose of this agreement to establish, to recognize, to strengthen, to weaken or nullify, in any way, any territorial, custodial or other rights, claims or interests which may be asserted by either party in the area of Palestine or any part or locality thereof covered by this agreement", whether these rights, claims or interests are derived from Security Council resolutions or from any other source. "The provisions of this agreement are dictated exclusively by military considerations and are valid only for the period of the armistice."

Article Five

1. The armistice demarcation line "is delineated in pursuance of the purpose and intent of the resolutions of the Security Council of 4 and 16 November 1948".

2. It "is not to be construed in any sense as a political or territorial boundary, and is delineated without prejudice to rights, claims and positions of either party to the armistice as regards ultimate settlement of the Palestine question.

"3. The basic purpose of the armistice demarcation line is to delineate the line beyond which the armed forces of the respective parties shall not move except as provided in Article 3.

"4. Rules and regulations of the armed forces of the parties which prohibit civilians from crossing the fighting lines or entering the area between the lines shall remain in effect...with application to the armistice demarcation line defined in Article 6."

Article Six

1. Description of the armistice demarcation line marking off the Gaza strip.

2. Evacuation of Israeli forces from positions within the Gaza strip.

3. Time limit for evacuation of various points. Provision for Israeli outposts, each limited to platoon strength, at certain specified points on Israel's side of the armistice demarcation line.

4. Withdrawal of Egyptian and Israeli forces from the Bethlehem-Hebron area.

Article Seven

This article provides for a limitation of armed forces to "defensive" strength in certain areas. Paragraphs 1 and 2 of Article 7 refer to the fact that the position in the eastern half of Israel will depend on arrangements to be made in the forthcoming armistice agreement with Jordan.

3. Egypt may have only "defensive forces" in the area between El Arish and Abu Agheila (or Abu Aweigila) and the armistice demarcation line. All other forces must be withdrawn. (See map in monthly bulletin *External Affairs*, February 1957.)

4. In the western half of Israel, from a point above the northern end of the Gaza strip down to the Gulf of Aqaba, only "defensive forces" may be maintained. All other forces in this area must be withdrawn north of a line whose approximate position is shown in the map referred to above.

5. The term "defensive forces" is defined in an annex to the agreement.

Article Eight

1. On Israel's side of the Egypt-Palestine frontier, about a quarter of the way between the Mediterranean coast and the Gulf of Aqaba, in a locality where several strategic roads converge, "the area comprising the village of El Auja and vicinity . . . shall be demilitarized and both Egyptian and Israeli armed forces shall be totally excluded therefrom. The Chairman of the Mixed Armistice Commission . . . and United Nations observers attached to the Commission shall be responsible for ensuring the full implementation of this provision".

2. Definition of the limits of the El Auja demilitarized district.

3. No Egyptian defensive positions to be closer to El Auja than El Quseima and Abu Agheila (Abu Aweigila) shown in the map referred to above.

4. No military forces whatsoever to enter Palestine by the road from El Quseima to El Auja.

5. "The movement of armed forces of either party to this agreement into any part of the area defined in paragraph 2 of this article, for any purpose, or failure by either party to respect or fulfil any of the other provisions of this article, when confirmed by the United Nations representatives, shall constitute a flagrant violation of this agreement."

Article Nine

Provisions for exchange of prisoners of war within a month after the signing of the armistice agreement.

Article Ten

1. A Mixed Armistice Commission, composed of three Egyptian and three Israeli

representatives under the chairmanship of the Chief of Staff of the Truce Supervision Organization, or a senior officer of that body designated by him after consultation with both parties, shall supervise the execution of the provisions of the agreement.

2. The Commission "shall maintain its headquarters at El Auja" but hold its meetings wherever and whenever required for the effective conduct of its work.

3. "To the greatest extent possible" decisions of the Mixed Armistice Commission "shall be based on the principle of unanimity".

4. Otherwise decisions are to be taken by a majority vote of members present and voting. Decisions of the Commission are to be final except for questions of principle if appealed within a week. Such appeals are to be considered by a Special Committee composed of the Chief of Staff of the Truce Supervision Organization and one Israeli and one Egyptian senior officer. Decisions on these appeals reached by the Special Committee are final.

5. Rules of procedure.

6. The Commission is empowered to employ observers, who may be drawn from the military organizations of the parties or from the Truce Supervision Organization or from both. United Nations observers are to remain under the command of the Chief of Staff of the Truce Supervision Organization, and assignments given to them are subject to the approval of the chairman of the Mixed Armistice Commission.

7. Claims or complaints are to be referred immediately to the Commission through its chairman. The Commission takes appropriate action by means of its observer and investigations machinery "with a view to equitable and mutually satisfactory settlement".

8. The chairman's interpretation of the meaning of a particular provision of the agreement prevails, subject to the right of appeal. "The Commission, in its discretion and as the need arises, may from time to time recommend to the parties modifications in the provisions of this agreement."

9. Reports are made by the Commission to both parties and to the Secretary-General of the United Nations.

10. Members of the Commission and its observers are to be accorded such freedom of movement and access in the areas covered by the agreement as the Commission considers necessary. If the vote on a decision of this kind is not unanimous, however, only United Nations observers are to be employed.

11. Expenses of the Commission, other than those relating to United Nations observers, are shared equally by the two parties.

Article Eleven

"No provision of this agreement shall in any way prejudice the rights, claims and positions of either party hereto in the ultimate peaceful settlement of the Palestine question."

Article Twelve

1. The agreement to come into force upon being signed.

"2. This agreement, having been negotiated and concluded in pursuance of the resolution of the Security Council of 16 November 1948 calling for the establishment of an armistice in order to eliminate the threat to the peace in Palestine and to facilitate the transition from the present truce to permanent peace in Palestine, shall remain in force until a peaceful settlement between the parties is achieved, except as provided in paragraph 4 of this article.

"3. The parties to this agreement may, by mutual consent, revise this agreement or any of its provisions, or may suspend its application, other than Articles 1 and 2, at any time." In the absence of mutual agreement, any time after February 24, 1950 either of the parties may ask the Secretary-General of the United Nations "to convoke a conference of representatives of the two parties for the purpose of reviewing, revising or suspending any of the provisions of this agreement other than Articles 1 and 2. Participation in such conference shall be obligatory upon the parties."

4. If such a conference does not result in agreement "either party may bring the matter before the Security Council of the United Nations for the relief sought, on the grounds that this agreement has been concluded in pursuance of Security Council action toward the end of achieving peace in Palestine".

(c)—(d) There have been thousands of individual complaints of violations of the armistice agreement by Israel and Egypt. These have concerned alleged violations of every article of the agreement except perhaps Article III, V and XI. More particularly they have been concerned with Article I: 1, 2, 3 and 4; Article II: 1 and 2; Article IV: 1 and 3; Article V: 2, 3 and 4; Article VI: 2 and 3; Article VII: 3, 4 and 5; Article VIII: 1, 3, 4 and 5; Article X: 1, 2, 4 and 10, and Article XII: 2.

Familiar types of complaint examined by the Mixed Armistice Commission have included alleged overflights of territory by aircraft of the other party, alleged violation of territorial waters by a ship belonging to the other party, alleged firing across the demarcation line by one party or the other, alleged crossing of the demarcation line by

military units, with or without firing, alleged mining of roads by either party and alleged attacks on civilians by civilian infiltrators or by armed forces of one party or the other. The great majority of the complaints were concerned with alleged violations by one party or the other of the armistice demarcation line separating Israel from the Gaza strip, where some 312,000 Palestinian Arabs, for the most part refugees and now completely destitute, having lost their property and means of livelihood, have been crowded into an area less than 30 miles long and about six miles wide under Egyptian military and administrative control. In these conditions even the vigilance of joint Egyptian-Israeli patrols in the first year of operation of the armistice agreement failed to prevent infiltrators from crossing the armistice line from the Gaza strip into Israel, chiefly for purposes of theft or smuggling. Eventually the system of joint patrols broke down and contact between Egyptian and Israeli guards for purposes of preventing infiltration was lost.

Complaints of violations of the armistice line have usually been made in the first instance to the Mixed Armistice Commission. If possible the complaints have been investigated by United Nations observers, who are officers of the United Nations Truce Supervision Organization drawn from the armed forces of several countries, including Canada. The regular procedure has been for complaints to be considered by the Commission in the order of their inscription. In the case of serious violations, however, it has been usual for the aggrieved party to ask for an emergency meeting of the Commission, which has dealt with the incident immediately, considering the evidence available and recording its opinion as to where the blame should be placed and the degree of culpability involved. In 1952 the Chief of Staff of the United Nations Truce Supervision Organization reported to the Security Council that the governments of Israel and Egypt had been able to agree through their representatives in the Mixed Armistice Commission to file 324 unheard complaints without further deliberation and that thenceforth no further complaints would be brought before the Commission. The parties would maintain direct and frequent contacts between their representatives instead and would resume joint patrolling of the demarcation line, discontinued earlier. This agreement had a good effect but was of short duration. Incidents soon continued as before to be brought to the Commission for its attention. There have been a number of appeals to the Special Committee under Article X: 4 of the armistice agreement, but when one of the

parties has not wished the appeal to be considered means have been found to delay the meeting of the committee indefinitely—a situation to which the Chief of Staff of the Truce Supervision Organization has drawn the attention of the Security Council on more than one occasion.

Although the decisions of the Special Committee are final, there were several occasions, as will be seen below, on which either Israel or Egypt considered it necessary to appeal to the Security Council. From 1955 onward the Security Council was confronted by a situation in which increased tension and higher casualty rates went hand in hand. For the protection of its citizens Israel adopted a policy of military retaliation for attacks within its own territory by Egyptian-trained saboteurs. Although as the reports submitted to the Security Council showed, these retaliatory raids resulted in several times as many casualties among the inhabitants of the Gaza strip as the casualties suffered by the inhabitants of Israel, the problem of sabotage in Israel by so-called "fedayeen" was not eliminated. Eventually, as will be seen below, the Secretary-General himself was sent to the area to see what could be done to reverse the trend toward a complete breakdown of the armistice agreement.

The failure of the parties to move forward to an early peace settlement prevented the fulfilment of one of the main purposes of the armistice agreement. Israel was anxious to secure a permanent settlement with Egypt as soon as possible, but wanted the position prevailing under the armistice agreement rather than earlier resolutions of the General Assembly to be used as the point of departure for the peace negotiations. Egypt and Israel's other Arab neighbours, on the contrary, declined to be drawn into negotiations on that basis since this would have involved recognition of the sovereignty of Israel in three quarters of Palestine. From November 1952 until October 1956 they continued to assert publicly that they were willing to negotiate a settlement with Israel as soon as the latter accepted the General Assembly's recommendations for (a) an approximately equal division of the territory of Palestine between Israel and the Arabs, (b) the internationalization of Jerusalem, (c) the repatriation of "refugees wishing to return to their homes and live at peace with their neighbours" and (d) compensation for the property of those choosing not to return and for loss of or damage to property in defined categories. To these suggestions Israel objected that it could not be expected to give up territory which it had won during a military conflict that had been forced upon

its citizens by the Arabs themselves in 1948. It insisted that the negotiations should be "free and untrammelled" and declined to participate in negotiations if compliance with past Assembly resolutions was to be required as a "pre-condition". The Arabs, meanwhile, would negotiate on no other basis.

A Conciliation Commission appointed in accordance with a resolution adopted by the General Assembly on December 11, 1948, made repeated but unsuccessful efforts to compose these differences. After the conclusion of the armistice agreements the General Assembly twice adopted resolutions which were designed to encourage the parties themselves to reach a settlement. On December 14, 1950, "recognizing that, in the interests of the peace and stability of the Near East, the refugee question should be dealt with as a matter of urgency", the Assembly urged "the governments and authorities concerned to seek agreement by negotiations conducted either with the Conciliation Commission or directly, with a view to the final settlement of all questions outstanding between them". In a resolution of January 26, 1952 the Assembly said, furthermore, that it considered "the governments concerned have the primary responsibility for reaching a settlement". It went on to urge them to "seek agreement with a view to an early settlement of their outstanding differences in conformity with the resolutions of the General Assembly on Palestine; and for this purpose to make full use of United Nations facilities". It asked the Conciliation Commission "to continue its efforts to secure the implementation of the resolutions of the General Assembly on Palestine" and asked it to "be available to the parties to assist them in reaching agreement on outstanding questions". In December 1952 an attempt was made in the Assembly to secure a different form of resolution urging the governments concerned "to enter at an early date, without prejudice to their respective rights and claims, into direct negotiations" for a settlement, "bearing in mind the resolutions as well as the principal objectives of the United Nations on the Palestine question, including the religious interests of third parties". This effort to provide more latitude in the starting-point for negotiations by merely "bearing in mind" past resolutions of the United Nations, failed to win the support of the requisite two thirds majority in the Assembly, where no further resolution was passed on the subject prior to the invasion of the Sinai Peninsula. In the Security Council, however, the parties continued to be reminded of their obligations to reach a peaceful settlement of their outstanding differences. (See

resolutions of November 16, 1948, August 11, 1949, November 17, 1950, September 1, 1951, and March 29, 1955).

Except in 1952 and 1953, the Security Council has had on its agenda each year from 1950 onward at least one item relating to alleged violations of provisions of the armistice agreement between Israel and Egypt. Israel's complaints to the Security Council in 1950, 1951 and 1954 with regard to Egypt's restrictions on navigation, which Israel regards as a standing violation of the armistice agreement, and the action taken on these complaints by the Security Council are summarized in section 3 and 4 below. Israel's complaints of violations of the armistice agreement by Egypt prior to its own invasion of the Sinai Peninsula are listed in section 5 (a).

Other charges of violation of the armistice agreement considered by the Security Council included the following:

Egypt complained that in violation of Article VII of the agreement Israel had sent a military force southward to the Gulf of Aqaba in March 1949 and had left in occupation of Bir Qattar, near the Egyptian frontier, a larger military unit than was permitted under the definition of "defensive forces". The Mixed Armistice Commission decided that Israel should withdraw the force it had maintained here "to positions authorized by the armistice agreement". On March 20, 1950, the Special Committee upheld this decision. On November 17, 1950 the Security Council, to whose attention Israel's non-compliance with the decision had been drawn, took note of a statement of the Government of Israel that the forces in question would evacuate Bir Qattar. On March 25, 1951 Israel announced its actual compliance with the Security Council's request.

A second Egyptian complaint dealt with by the Security Council on November 17, 1950 concerned the alleged expulsion of over 7,000 Arabs from Israel into Egypt in the months following the conclusion of the armistice agreement. The Security Council asked the Mixed Armistice Commission "to give urgent attention to the Egyptian complaint", called upon the parties "to give effect to any findings of the (Commission) regarding the repatriation of any such Arabs who in the Commission's opinion are entitled to return", authorized the Chief of Staff of the Truce Supervision Organization to recommend to the parties "such steps as he may consider necessary to control the movement of... nomadic Arabs... by mutual agreement", and called upon the governments concerned "to take in the future no action involving the transfer of persons across

international frontiers or armistice lines without prior consultation" through the commission. The Security Council also reminded Egypt and Israel as member states of the United Nations of their obligations under the Charter to settle their outstanding differences, and that the armistice agreement contemplated "the return of permanent peace in Palestine", and therefore urged them "and other states in the area to take all such steps as will lead to the settlement of the issues between them".

On March 5, 1955 the Security Council received an urgent request from Egypt that it should consider "violent and premeditated aggression committed on 28 February 1955 by Israeli armed forces against Egyptian armed forces inside Egyptian-controlled territory near Gaza, causing many casualties, including 39 dead and 32 wounded and the destruction of certain military installations . . .". Israel immediately asked the Security Council to put on its agenda a complaint of "continuous violations by Egypt of the General Armistice Agreement and of resolutions of the Council, to the danger of international peace and security, by means of: attacks of regular and irregular Egyptian armed forces against Israel armed forces; assaults of raiders from Egyptian-controlled territories on lives and property in Israel; failure of the Government of Egypt to adopt and enforce executive measures against such acts of violence; assertion by Egypt of the existence of a state of war and the exercise of active belligerency against Israel, particularly the maintenance and enforcement of blockade measures; warlike propaganda and threats against the territorial integrity and political independence of Israel; refusal of Egypt to seek agreement by negotiations for an effective transition from the present armistice to peace".

When Egypt's charges against Israel with regard to the attack on Gaza were taken up, the Chief of Staff of the Truce Supervision Organization reported to the Security Council on March 17 that the Mixed Armistice Commission had found Israel responsible for the attack and considered that it had violated Articles I: 2 and 3, II: 2 and V: 3 of the armistice agreement. The following are extracts from the Secretary-General's summary of the Security Council's proceedings:

"Reviewing the general situation along the armistice demarcation line, the Chief of Staff said that the number of casualties prior to the Gaza incident reflected the comparative tranquillity which had prevailed in that area during the greater part of the period from November 1954 to February 1955. However, repeated minor incidents had helped to

create a state of tension, and although infiltration from Egyptian-controlled territory had not been the only cause of the present tension, it had undoubtedly been one of its main causes. The Chief of Staff recalled that, in an earlier report to the Council, he had suggested that, in order to decrease tension along the demarcation line, the two parties should examine in an informal manner the possibility of agreeing on certain measures, namely: (1) institution of joint patrols along sensitive sections of the demarcation line; (2) negotiation of a local commanders' agreement; (3) erection of a barbed wire obstacle along certain portions of the demarcation line; and (4) manning of all outposts and patrols by regular Egyptian and Israel troops. In conclusion, the Chief of Staff said that he was still of the opinion that, if an agreement were effected between the two parties on the lines he had suggested, and if an honest attempt to fulfil the conditions were made by both parties, infiltration could be reduced to an occasional nuisance, a kind of thieving which Israel must probably regard as inevitable so long as there were vast numbers of poverty-stricken refugees on its borders—more than 200,000 in the Gaza strip alone . . .

"On 28 March, France, the United Kingdom and the United States of America submitted a joint draft resolution providing that the Security Council, after noting that the Egyptian-Israeli Mixed Armistice Commission, on 6 March 1955, had determined that a pre-arranged and planned attack ordered by Israel authorities had been committed by Israel regular army forces against the Egyptian army force in the Gaza strip on 28 February 1955, would: (1) condemn that attack as a violation of the cease-fire provisions of the Council's resolution of 15 July 1948 and as inconsistent with the obligations of the parties under the General Armistice Agreement between Egypt and Israel and under the Charter; (2) call again upon Israel to take all necessary measures to prevent such actions; and (3) express its conviction that the maintenance of the General Armistice Agreement was threatened by any deliberate violation of that agreement by one of the parties to it, and that no progress toward the return of permanent peace in Palestine could be made unless the parties complied strictly with their obligations under the agreement and the cease-fire provisions of the Council's resolution of 15 July 1948.

"Another joint draft resolution was submitted on the same date by France, the United Kingdom and the United States of America, according to which the Security Council, taking note of those sections of the report by the Chief of Staff which dealt with

the general conditions on the armistice demarcation line between Egypt and Israel and the causes of the existing tension, and being anxious that all possible steps be taken to preserve security in the area, would: (1) request the Chief of Staff to continue his consultations with the Governments of Egypt and Israel with a view to the introduction of practical measures to preserve security in the area; (2) note that the Chief of Staff had already made certain concrete proposals to that effect; (3) call upon the Governments of Egypt and Israel to cooperate with the Chief of Staff with regard to his proposals, bearing in mind that, in the opinion of the Chief of Staff, infiltration could be reduced to an occasional nuisance if an agreement were effected between the parties on the lines he had proposed; and (4) request the Chief of Staff to keep the Security Council informed of the progress of his discussions.

"Both draft resolutions were adopted unanimously at the 695th and 696th meetings held on 29 and 30 March."

On April 6, 1955 the Security Council took up fresh complaints by Israel, which now cited "repeated attacks by Egypt with special reference to (1) the armed assault at Pattish on 24 March 1955; (2) repeated attacks by mining and gunfire on Israel army units patrolling the Israel-Egyptian border at the Gaza strip between 26 March and 3 April 1955; (3) the attack on an Israel army patrol and on the village of Nahal Oz on 3 April 1955". Israel invoked Article 34 of the Charter (investigation of disputes by the Security Council), charging that overt acts of violence by Egyptian armed forces had replaced infiltration as the main cause of tension between Israel and Egypt. A report from the Chief of Staff of the United Nations Truce Supervision Organization said the mining of tracks used by Israeli army vehicles had been the most important factor contributing to the increased tension. This might well be "retaliatory action by certain elements following the Gaza incidents". He went on to discuss once more the importance of restoring joint patrols, and a local commanders' agreement and the erection of barbed wire fences.

On April 19, 1955 the President of the Security Council "observed that the consensus of opinion was that there was no need for any new action by the Council, inasmuch as the facts brought to the Council's notice and the possible measures to avert frontier incidents in the area of the demarcation line between Egypt and Israel had been fully covered in the resolutions adopted by the Council on 29 and 30 March. He trusted that he was expressing the general view of the members of the Council in appealing to

both sides to give full effect to those resolutions, which were aimed at averting frontier incidents. To achieve that purpose, he urged them to co-operate sincerely with one another".

The Security Council met again on September 8, 1955 to consider another outbreak of violence in the Gaza strip. This began on August 22 with an Israeli attack on an Egyptian post near Gaza, when 3 Arabs were killed and 3 wounded. There followed an organized series of Arab reprisal attacks on vehicles, installations and persons in Israeli territory in which the Chief of Staff of the United Nations Truce Supervision Organization told the Security Council 11 persons had been killed and 9 wounded. The nature of the latter attacks suggested, he said, "that they are the work of organized and well trained groups . . . The sudden resumption of this type of incident after they had practically ceased for three months is significant." On the night of August 31-September 1 an Israeli light-armoured unit attacked and destroyed the police station at Khan Yunis in the Gaza strip. It was alleged that 36 persons had been killed and 13 wounded. A cease-fire did not go into effect until September 4.

The Chief of Staff recommended to the Security Council the erection of an effective physical barrier along the demarcation line and the withdrawal of patrols and defensive positions at least 500 metres on either side of the line. The Security Council adopted unanimously a resolution summarized in the following terms by the Secretary-General in his *Report on the Work of the Organization, 15 June 1955-15 June 1956*: The Council, among other things, "called upon both parties forthwith to take all steps necessary to bring about order and tranquillity in the area, and in particular to desist from further acts of violence and to continue the cease-fire in full force and effect; endorsed the view of the Chief of Staff that the armed forces of both parties should be clearly and effectively separated by measures such as those which he had proposed; declared that freedom of movement must be afforded to the United Nations observers in the area to enable them to fulfill their functions; called upon both parties to appoint representatives to meet with the Chief of Staff and to co-operate fully with him to these ends."

In March 1956, the United States asked for a meeting of the Security Council to consider the status of compliance with the various armistice agreements between Israel and its neighbours and with the Security Council's resolutions of 1955. In explaining this request the United States mentioned particularly a "build-up of armed forces on

either side of the armistice demarcation lines" and developments "which might endanger the maintenance of international peace and security". On April 4, 1956 the Security Council adopted a resolution noting "with grave concern" that the parties had not taken the steps recommended with a view to reducing tension in the area. It considered that the situation on the armistice lines between Israel and its neighbours was such that "continuance is likely to endanger the maintenance of international peace and security". It therefore asked the Secretary-General to undertake a survey of the various aspects of enforcement and of compliance and to arrange with the parties "for the adoption of any measures which after discussion with the parties and with the Chief of Staff he considered would reduce existing tensions", including: "(a) withdrawal of their forces from the armistice demarcation lines; (b) full freedom of movement for observers along the armistice demarcation lines and in the demilitarized zones and in the defensive areas; (c) establishment of local arrangements for the prevention of incidents and the prompt detection of any violations of the armistice agreements."

The Secretary-General went to the Middle East, talked with government leaders about measures which might reduce the toll of violence and on May 9, 1956 reported to the Security Council that the parties had given him "unconditional assurances" that they would maintain the cease-fire. A reservation for self-defence was recognized by the Secretary-General, but he had made it clear that this did "not permit acts of retaliation, which repeatedly have been condemned by the Security Council." In the view of the Secretary-General, one of the gains made as a result of his conversations was that each party now agreed to observe the cease-fire whether the other party complied with other provisions of the armistice agreement or not.

The Secretary-General's report of May 9, 1956 also indicated that a little progress had been made toward carrying out practical measures to reduce tension on the demarcation line. Both Egypt and Israel had accepted the proposal for "an equal number of fixed United Nations observer posts on each side of the line". Egypt had agreed to withdraw its patrols and defensive positions some distance from the demarcation line, although Israel still reserved the right in certain circumstances to send its patrols right up to the line. Joint patrols were not likely to be accepted by either party. It was too soon yet to try to conclude a local commanders' agreement. Marking of the demarcation line had not yet begun. Both parties appeared to be violating Articles VII and VIII of the

armistice agreement, the Secretary-General reported. Israel had the equivalent of "three companies of infantry" in the El Auja demilitarized zone and proposed to keep them there so long as Egypt kept defensive forces on its side of the line not far from the demilitarized zone in contravention of Article VIII of the agreement. Each party charged the other with having introduced prohibited arms into this region in violation of Article VII. The Chief of Staff had proposed that the parties should comply simultaneously with Article VII and subsequently withdraw their armed forces, the withdrawals to be verified by United Nations personnel. Meanwhile the Security Council's attention was drawn to the fact that freedom of movement of United Nations personnel continued to be impeded by the attitude of both the parties in the "defensive areas" and the demilitarized zone.

On June 4, 1956 the Security Council adopted a resolution noting that despite the assurances given to the Secretary-General by all the parties that they would unconditionally observe the cease-fire, "full compliance" with the general armistice agreements and with the Council's resolutions of March 30 and September 8, 1955 had not yet been effected. The Security Council declared that "the parties to the armistice agreements should speedily carry out the measures already agreed upon with the Secretary-General, and should co-operate with the Secretary-General and the Chief of Staff of the Truce Supervision Organization to put into effect their further practical proposals, pursuant to the resolution of 4 April, with a view to full implementation of that resolution and full compliance with the armistice agreements." It declared that "full freedom of movement of United Nations observers must be respected along the armistice demarcation lines, in the demilitarized zones and in the defensive areas as defined in the armistice agreements, to enable them to fulfil their functions". It endorsed the Secretary-General's view that "the re-establishment of full compliance with the armistice agreements represents a stage which has to be passed in order to make progress possible on the main issues between the parties". Among other things it asked the Secretary-General to continue his good offices with the parties and to keep the Security Council informed.

After further study of the situation in the Middle East the Secretary-General reported to the Security Council on September 12, 1956 that the governments in the region had "not taken any initiatives which could help to start the necessary developments in a positive direction . . . While in many cases they have made energetic efforts to support

the cease-fire by appropriate instructions to their forces, they have . . . failed to carry through a discipline sufficiently firm to forestall incidents which, step by step, must necessarily undermine the cease-fire . . . The present state of affairs is deeply disturbing . . . There is a permanent risk that the incidents (may) release a chain of events . . . Apart from legal considerations this fact in itself fully justifies the stand of the Security Council on *all* acts of violence including those which reflect a policy of retaliation."

Conditions along the armistice line about the Gaza strip had improved for some weeks as a result of the special cease-fire assurances given by the parties to the Secretary-General. The Secretary-General regretted to have to report their deterioration during the summer, however. In his report of September 12, 1956 he observed that "the quiet prevailing after the agreements on the cease-fire arrangements offered (the parties) unique possibilities" for starting "a chain of reactions in a positive direction. However . . . none of the parties concerned has used the opportunities thus offered . . . developments have indicated that the will to establish peaceful conditions had not grown strong enough for any of those concerned to take the risks necessary for a use of existing opportunities."

Six weeks later, on October 29, Israel invaded Egyptian territory in the Sinai Peninsula and on November 2 took control of the Gaza strip. The Security Council met on October 30 to deal with the emergency, but a United States draft resolution calling on Israel to withdraw to the armistice line was vetoed by France and the United Kingdom. A Yugoslav draft resolution was then adopted referring the Middle East question to the General Assembly under procedures made available in the Assembly's "uniting for peace" resolution of November 3, 1950. In a series of six resolutions adopted on November 2, 4, 7 and 24, 1956 and January 19 and February 2, 1957 the General Assembly called on Israel to withdraw its forces from the occupied territory. A draft resolution sponsored by six African and Asian states condemning Israel for its non-compliance with the above resolutions and calling upon "all states to deny all military, economic or financial assistance and facilities to Israel in view of its continued defiance of the aforementioned resolutions" was submitted to the General Assembly on February 23 but was not put to the vote in view of indications that Israel might soon withdraw its forces from the Gaza strip and from the only position it still occupied in the Sinai

Peninsula, opposite the Straits of Tiran. On March 1 Israel's Foreign Minister announced to the General Assembly that "full and prompt withdrawal" would take place and listed certain assumptions on which Israel's decision had been based. The withdrawal was completed on March 8, 1957.

Meanwhile on the basis of resolutions adopted by the General Assembly on November 4, 7 and 24, 1956 a United Nations Emergency Force under the command of Major General E. L. M. Burns had been organized "to secure and supervise cessation of hostilities". Advance units arrived in Egypt on November 15. The force moved gradually across the Sinai Peninsula as Israeli units withdrew and in the first week of March UNEF replaced Israeli forces at the Straits of Tiran and in the Gaza strip.

3. (a) The restrictions began during the hostilities before the creation of the State of Israel, when Egypt by military proclamations of March 15 and 19, 1948 made liable to confiscation any merchandise consigned to the mandated territory of Palestine. After Israel was established on May 15, 1948 as an independent state the measures were no longer applied against all of Palestine but only against the area of Palestine occupied by Israel. The contraband regulations were altered from time to time and in practice on occasions extended well beyond the basic contraband list of February 9, 1950, which had included arms, ammunition, explosives, chemical substances for military purposes, appliances for chemical warfare, fuels including oil, warships and military aircraft and their component parts, tanks, armoured cars, gold, silver and means of payment.

Israel first referred the matter to the Security Council in October 1950. On this occasion the Security Council asked that an effort should be made to resolve the difficulty with the aid of machinery made available under the armistice agreement. This was attempted, but on appeal from the Mixed Armistice Commission to the Special Committee, for which provision was made in Article X of the armistice agreement, the Mixed Armistice Commission was eventually found to lack competence in the matter because it could deal only with hostile acts committed by military or para-military forces, whereas in this case civilian officials were putting the Egyptian regulations into effect. The Chief of Staff of the United Nations Truce Supervision Organization, who was also Chairman of the Special Committee, expressed, however, his own belief that "the action of the Egyptian authorities is . . . entirely contrary to the spirit of the General Armistice Agreement and does, in fact, jeopardize its effective functioning." In his

opinion the matter should "be referred to some higher competent authority such as the Security Council or the International Court of Justice".

There were many protests from governments against the regulations, which for practical purposes restricted the free use of the Canal to those of their ships which did not carry cargo to Israel; but Egypt did not alter its policy. The issue was therefore submitted by Israel to the Security Council a second time in July 1951. The specific complaint on this occasion was that certain types of cargo destined for Israel were still liable to confiscation at Suez Canal ports, while ships which had called at Israeli ports were placed on an Egyptian blacklist and were denied water, food, supplies and services on arrival at Suez Canal ports. Crews were not permitted shore leave. The result was that few ships using the Canal would touch at Israeli ports and much of the trade Israel would otherwise be enjoying was thus cut off. Most serious, however, from the point of view of Israel, was the fact that oil tankers bound for Israel could not use the Suez Canal.

The arguments put forward by the representatives of Israel and Egypt before the Security Council were summarized as follows in the *Annual Report of the Secretary-General on the Work of the Organization, 1 July 1951—30 June 1952*: "During the general discussion, the representative of Israel pointed out that, in its resolution of 11 August 1949, the Security Council had requested the signatory governments to observe the Armistice Agreements and had reminded them that those agreements 'include firm pledges against any further acts of hostility between the parties'. That resolution had been considered by its sponsors to mark the end both of restrictions on the sale and purchase of arms and of restrictions on the free movement of shipping. The records of the Council and contemporary exchanges of letters proved that those two things were contingent. The Security Council's very decision to restore freedom of sale and purchase of armaments to all governments in the area could not be reconciled with the view that a state of war continued to exist. The representative of Israel considered that the Council was obliged by the Charter to act for the 'suppression of acts of aggression', no matter by what instrumentality they were committed. Israel was not in a state of war with Egypt and denied that Egypt had the right to be at war with Israel. The right of ships to traverse the high seas and international highways was a cornerstone of the law of nations. He drew attention to the economic damage caused by the blockade and emphasized that, if the

Security Council acquiesced in its continuation, a fatal doubt would spread throughout the region concerning the impartial maintenance of the Armistice Agreement. The questions before the Council could not be decided on the basis of the traditional pre-Charter law. The issue was whether, after the signature of the Charter and after the Egyptian-Israel Armistice Agreement had been in force for two and a half years, a Member State could ask the Security Council to respect its unilateral exercise of belligerent rights. Article 51 of the Charter allowed a nation to undertake action in self-defence on two conditions only, both of which were absent in that case.

"In reply, the representative of Egypt considered that, under article X, paragraphs 4 and 8, of the Armistice Agreement, the Special Committee's decision of 12 June 1951 was final. The *obiter dicta* of the Chief of Staff were not connected with his official duties and did not properly belong in the records of the Security Council. The representative of Egypt submitted that article I, paragraph 2, and article II, paragraph 2, of the Armistice Agreement were not innovations but were based on precedents and on generally accepted doctrine regarding armistices. The precedents and the writings of well-known jurists established that the rights of the parties under an armistice agreement also included the right of blockade, the right to capture neutral vessels attempting to break the blockade, and the right to seize contraband of war. He argued that Egypt was exercising only a fraction of its rights under the armistice. The existence of a state of war between Egypt and Israel was pointed out by the Armistice Agreement and while it continued Egypt had no other choice than to exercise its right of self-preservation. He then referred to certain attitudes of Israel which were blocking the road to peace in the Middle East and which were responsible for the Egyptian measures about which Israel had complained. Hardly any arguments had been advanced during the debate in the Council to substantiate the claim that Egypt had violated the Suez Canal Convention. The complaint of Israel was not receivable, since the powers and duties of the Security Council were limited and should be strictly regulated by the fundamental principles and purposes laid down in Chapter I of the Charter. Article 1, paragraph 1, of the Charter required that the adjustment or settlement of international disputes should be 'in conformity with the principles of justice and international law'. However, the joint draft resolution was mainly based on the termination or the denial

of rights of belligerency exercised by Egypt in conformity with the Armistice Agreement and with the principles of international law."

At the end of its deliberations in July and August the Security Council adopted the following resolution on September 1, 1951, the USSR, India and China abstaining:

"The Security Council

"1. Recalling that in its resolution of 11 August 1949, (S/1376) relating to the conclusion of Armistice Agreements between Israel and the neighbouring Arab States it drew attention to the pledges in these Agreements 'against any further acts of hostility between the Parties';

"2. Recalling further that in its resolution of 17 November 1950 (S/1907) it reminded the States concerned that the Armistice Agreements to which they were parties contemplated 'the return of permanent peace in Palestine', and therefore urged them and the other States in the area to take all such steps as would lead to the settlement of the issues between them;

"3. Noting the report of the Chief of Staff of the Truce Supervision Organization to the Security Council of 12 June 1951 (S/2194);

"4. Further noting that the Chief of Staff of the Truce Supervision Organization recalled the statement of the senior Egyptian delegate in Rhodes on 13 January 1949, to the effect that his delegation was 'inspired with every spirit of co-operation, conciliation and a sincere desire to restore peace in Palestine', and that the Egyptian Government has not complied with the earnest plea of the Chief of Staff made to the Egyptian delegate on 12 June 1951, that it desist from the present practice of interfering with the passage through the Suez Canal of goods destined for Israel;

"5. Considering that since the Armistice regime, which has been in existence for nearly two and a half years, is of a permanent character, neither party can reasonably assert that it is actively a belligerent or requires to exercise the right of visit, search, and seizure for any legitimate purpose of self-defence;

"6. Finds that the maintenance of the practice mentioned in paragraph 4 above is inconsistent with the objectives of a peaceful settlement between the parties and the establishment of a permanent peace in Palestine set forth in the Armistice Agreement;

"7. Finds further that such practice is an abuse of the exercise of the right of visit, search and seizure;

"8. Further finds that the practice cannot in the prevailing circumstances be justified on the ground that it is necessary for self-defence;

"9. And further noting that the restrictions on the passage of goods through the Suez Canal to Israel ports are denying to nations at no time connected with the conflict in Palestine valuable supplies required for their economic reconstruction, and that these restrictions together with sanctions applied by Egypt to certain ships which have visited Israel ports represent unjustified interference with the rights of nations to navigate the seas and to trade freely with one another, including the Arab States and Israel;

"10. Calls upon Egypt to terminate the restrictions on the passage of international commercial shipping and goods through the Suez Canal wherever bound and to cease all interference with such shipping beyond that essential to the safety of shipping in the Canal itself and to the observance of the international conventions in force." (The latter have to do with such things as the protection of the Canal, the observance of sanitary regulations and control of the slave traffic and the traffic in drugs.)

Egypt continued to apply the restrictions in varying forms and degrees. On January 28, 1954 Israel appealed once more to the Security Council. It argued that Egypt's interference with shipping in the Suez Canal constituted hostile action and that it violated the Constantinople Convention of 1888 and international law, the purposes of the Charter and the spirit and letter of the armistice agreement, as well as the Security Council's resolution of September 1, 1951. Israel asked the Security Council to establish machinery and procedures which would enable it to follow up the course of its resolutions and receive reports on their fulfilment or non-fulfilment. A draft resolution introduced by New Zealand's representative called on Egypt to comply with the Security Council's resolution of September 1, 1951. On March 29, 1954 this was vetoed, however, by the U.S.S.R. for two reasons. It was impossible Mr. Vishinsky said, to settle international problems by imposing on one of the parties a decision which from the outset it had declared to be absolutely unacceptable. The parties should be asked instead to settle their differences by direct negotiation. In the second place, he said, the principle of free navigation in the Suez Canal must be respected. The task of supervising the observance of the Constantinople Convention providing for freedom of navigation had not been assigned, however, to a body like the Security Council, in which non-signatories of the Constantinople Convention constituted a majority. It had been assigned, under Article 8 of the Convention, to the agents in Egypt of the signatories themselves. Only four of the signatories and the successor

states were now represented in the Security Council. The New Zealand draft resolution having been vetoed, no other draft resolution was put forward in its place.

On September 28, 1954 Israel complained to the Security Council that the "Bat Galim", a ship flying the flag of Israel, bound from Eritrea for Haifa, had been seized by Egyptian authorities at the southern approach to the Suez Canal and its crew of ten Israelis detained. The Security Council deferred action pending a report from the Chief of Staff of the Truce Supervision Organization. Both the Mixed Armistice Commission and the Special Committee, to which Egypt appealed, upheld Israel's view that no provision of the armistice agreement had been violated by Israel in connection with the "Bat Galim" case. Egypt withdrew its original charge that the crew had fired on Egyptian fishermen and on January 1, 1955 released the men. The Security Council adopted no resolution on this issue. The majority of its members supported, however, the principles set forth in the Council's resolution of September 1, 1951. The President of the Council suggested on January 13, 1955 that since Egypt had expressed willingness to release the ship and its cargo, the Chief of Staff of the Truce Supervision Organization might extend his good offices, if the parties so desired, to expedite a settlement. Israel reported to the Security Council on September 19, 1956 that the vessel and its cargo had later been confiscated. It also reported that on May 25, 1956 a Greek ship, the "Panagia", carrying cement from Haifa to Eilat, was detained at Port Said for four and a half months, its crew not being allowed to go ashore except the three members who were in the most extreme need of medical attention. On September 8 the vessel returned to Haifa without completing its trip.

4. It should be explained that at the southern outlet of the Gulf of Aqaba the shores of Saudi Arabia and the Egyptian-owned Sinai Peninsula are about eleven miles apart. The mouth of the Gulf is blocked by two islands and by shoals and reefs. There is only one navigable channel, which is about 550 yards wide. This is found in the three-mile-wide strait lying between the island of Tiran and a stretch of the Sinai Peninsula coast above Sharm al-Shaikh. One hundred and ten miles further north, at the head of the Gulf to which these straits give access, are two seaports. One is the long-established port of Aqaba, which is Jordan's only seaport. The other, less than ten miles from the Jordanian seaport, is the new Israeli port of Eilat, which is now being developed to serve as a centre for trade with East Africa, South Africa and Asia.

Before the end of 1949 Egypt occupied the uninhabited islands of Tiran and Sinafir at the mouth of the Gulf, which in the past have been claimed by Saudi Arabia. In a note of January 28, 1950 addressed to the government of the United States it stated that "This occupation being in no way conceived in a spirit of obstructing in any way innocent passage through the stretch of water separating these two islands from the Egyptian coast of Sinai, it follows that this passage, the only practicable one, will remain free as in the past, in conformity with international practice and recognized principles of the law of nations". Egypt later set up guns on the Sinai Peninsula coast commanding the navigable channel in the Straits of Tiran. Ships intending to pass through the straits, like ships intending to pass through the Suez Canal, were required to give advance notice of their intention, together with information as to the nature and destination of their respective cargoes. In a few cases the alleged right of visit and search was exercised, and certain ships which tried to proceed without complying with the regulations or without stopping were challenged.

On July 26, 1951, when the Security Council was considering Israel's second complaint about interference with shipping in the Suez Canal (see 3 (b) and (c) above), the representative of Israel said that there were "signs" of an Egyptian intention to extend these practices "to other waters" in which Israel "possesses and intends to use its full maritime rights". Not until January 1954, however, did Israel specifically ask the Security Council to consider the question of interference with shipping proceeding to the port of Eilat. The Security Council discussed this question in February and March 1954, along with Israel's third complaint of restrictions on shipping in the Suez Canal. The representative of Israel on February 5 cited in particular three cases of interference at the Straits of Tiran—that of a Danish vessel escorted by an armed corvette to an Egyptian command post and detained for 24 hours during a voyage from Eilat to Mombasa, that of a United States vessel carrying wheat to the Jordanian port of Aqaba, which was fired on at the entry to the Gulf, and that of an Italian vessel fired on at the straits on a voyage from Eritrea to Eilat. Israel's representative maintained that the effect of the restrictions had been to hamper the legitimate development of Israel's trade through the port of Eilat. He held that they violated the armistice agreement and Security Council resolutions of August 11, 1949, November 17, 1950 and September 1, 1951. Here, as in the case of the Suez Canal, the chief grievance was not the actual number of ships visited and searched

but the very much greater number of ships which did not attempt to carry cargoes to Eilat at all because of the risks involved.

The representative of Egypt in replying on February 15, 1954 stated that since October 1951, 267 ships had passed through the Gulf of Aqaba, of which 214 were British and 35 German, while the remainder flew the flags of nine other countries. He stated that only three of these ships were actually visited and searched. The Egyptian position in this case was similar to the position described in section 3 (b) and (c) above.

The New Zealand draft resolution vetoed by the USSR on March 29, 1954, which had to do in the first instance with the removal of restrictions on Suez Canal traffic, closed with a paragraph relating to interference with ships proceeding to the port of Eilat. The concluding paragraph was in the following terms: "(The Security Council) considers that, without prejudice to the provisions of the resolution of 1 September 1951, the complaint referred to in sub-paragraph (b) above (Interference by Egypt with shipping proceeding to the Israeli port of Elath on the Gulf of Aqaba) should in the first instance be dealt with by the Mixed Armistice Commission established under the General Armistice Agreement between Egypt and Israel." This draft resolution was vetoed and Egyptian regulations regarding the passage of ships through the Straits of Tiran continued to be applicable until Israel occupied the southern tip of the Sinai Peninsula at the beginning of November 1956 and opened the Gulf of Aqaba to all ships, regardless of cargo, bound for the port of Eilat, as well as to all ships bound for the port of Aqaba.

5. (a) The representative of Israel, speaking before the Security Council in defence of Israel's invasion of the Sinai Peninsula, said in part on October 30, 1956:

"The object of those operations (the invasion by Israel of the Sinai Peninsula) is to eliminate the Egyptian fedayeen bases from which armed Egyptian units, under the special care and authority of Colonel Nasser, invade Israel's territory for purposes of murder, sabotage and the creation of permanent insecurity to peaceful life... The system of waging war against Israel by fedayeen units is the product of Colonel Nasser's mind... After intensive preparation during the spring and summer of 1955, this new weapon was launched in August of that year, breaking a period of relative tranquillity". (See 2 (c) and (d) above.)

After listing forty separate fedayeen attacks which had occurred between April 20 and October 28, 1956, the representative of Israel went on to say, referring to a longer period of Egyptian hostility:

"During the six years during which this (Egyptian) belligerency has operated in violation of the armistice agreement, there have occurred 435 cases of incursions from Egyptian-controlled territory, 1,843 cases of armed robbery and theft, 1,339 cases of armed clashes with Egyptian armed forces, 172 cases of sabotage perpetrated by Egyptian military units and fedayeen in Israel. As a result of these actions of Egyptian hostility within Israel, 364 Israelis were wounded and 101 killed. In 1956 alone, as a result of this aspect of Egyptian aggression, 28 Israelis were killed and 127 wounded. It cannot be seriously suggested that these activities are not the direct responsibility of the Government of Egypt."

Although the greater part of the address of the representative of Israel was devoted to a description of attacks on Israel from Egyptian-controlled territory or by Egyptian-controlled fedayeen operating from bases in various Arab countries, he also drew the attention of the Security Council to (i) Egypt's purchase of large quantities of arms from abroad which in the spring of 1956 "was running most drastically to Israel's disadvantage"; (ii) the theory of continuing belligerency proclaimed by Egypt, under which it "asserts a right to perform hostile acts of its own choice against Israel"; (iii) Egypt's conversion of the Suez Canal "into an instrument for unilateral national pressure, while maintaining a constant violation of international maritime law".

Explaining why the attack on Egypt had been launched at the end of October the representative of Israel asserted that his government "had ample reason to fear that this (fedayeen) activity was to be renewed on a scale unprecedented even during the first wave of fedayeen invasion in August 1955 or during its recrudescence in the spring of 1956". (See also section 2 (c) and (d) above.) It was a fact, he said, "that there have never been any resolutions adopted by the Security Council designed specifically to protect the Israel civilian population against the encroachments and the depredations of the fedayeen units... Following the meeting of the Chiefs of Staff of Egypt, Syria and Jordan in Amman" on the occasion of the signing of a tripartite military agreement on October 24, 1956, "we had stronger reason than ever before to believe that this recrudescence (of fedayeen activity) would take place... The very day after we gave notice of this apprehension, the fedayeen units began to arrive." In 1948 it had taken the Security Council "something like eight weeks" to secure the withdrawal of Egyptian and other Arab armies from Palestinian territory now under Israel's control. Facing "alone" the

issues inherent in the situation existing in 1956, Israel had made a decision to invoke its "sovereign rights of self-defence".

(b) The following is an English translation of the terms in which the Prime Minister of Israel stated these objectives in speaking in the Knesset, the Parliament of Israel, on November 8, 1956: "We set ourselves three main roles in the Sinai operation—(i) the destruction of the forces which lay in wait to destroy us; (ii) the liberation of the territory of the homeland which had been occupied by the invader (this was a reference to the occupation of the Gaza strip); and (iii) the safeguarding of free navigation in the Gulf of Eilat (the Gulf of Aqaba) and the Suez Canal."

6. (a) No.

(b) The Gaza strip was a small part of the area which the United Nations General Assembly recommended for inclusion in the Arab state in its partition resolution of November 29, 1947. When the British mandate ended in mid-May 1948 Egyptian forces occupied the Gaza strip and territory beyond it and in the course of the 1948 hostilities received some 200,000 Arab refugees from other areas seeking asylum behind the Egyptian lines. When the Egyptians were forced back (see 2 (a) above) fighting with Israelis occurred in this small area, but under Article VI: 3 of the armistice agreement of February 24, 1949 all Israeli military forces were to be withdrawn from the Gaza strip, which was to remain under Egyptian military control pending a peace settlement.

(c) In comparing the two situations the following points should be borne in mind: (i) the Gaza strip is less than 30 miles long and about six miles wide; (ii) its inhabitants are not Egyptians but Palestinian Arabs; (iii) Egypt has not annexed the Gaza strip but has been administering it on behalf of the Palestinian Arabs pending a peace settlement; (iv) in the peace settlement "the rights, claims and positions of either party" are not to be prejudiced "in any way" by the present location of the armistice demarcation line or by any other provision of the armistice agreement (see Article XI, section 2(b) above).

7. (a) On February 2, 1957, the General Assembly adopted a resolution "recognizing that withdrawal by Israel must be followed by action which would assure progress towards the creation of peaceful conditions" in the area. This resolution went on to request the Secretary-General, in consultation with the parties concerned, to carry out various measures either specifically enunciated in the resolution or defined therein by reference to previous reports of the Secretary-General which had been approved by the Assembly.

The Secretary-General has since been devoting his attention to the tasks assigned to him under the resolution. A fundamental responsibility, arising out of the General Assembly's exhortation to Egypt and Israel to observe scrupulously the 1949 Armistice Agreement, involves the implementation of the Assembly's directive that maintenance of the Agreement "requires the placing of the United Nations Emergency Force on the Egypt-Israel Armistice Demarcation Line." The Secretary-General also has been concentrating on working out special arrangements for the Gaza Strip, not only with regard to the interposition of UNEF between the armed forces of Egypt and Israel, but also for utilizing, in the Secretary-General's words, "the assistance of the United Nations and its appropriate auxiliary bodies . . . toward putting a definite end to all incursions and raids across the border from either side." The efforts of the Secretary-General to promote progress towards the creation of peaceful conditions are being actively supplemented by diplomatic efforts on the part of many governments interested in the welfare of the Middle East, including the Government of Canada.

(b) To secure and supervise the cease-fire in accordance with resolutions of the United Nations General Assembly.

(c) The Secretary of State for External Affairs reviewed the question of consent to the presence of the United Nations Emergency Force in Egypt in a statement in the House of Commons on March 15, 1957, when he said:

"Last November 5, . . . the Egyptian Government formally conveyed to the Secretary-General explicit acceptance of the General Assembly resolution of that date, which established the United Nations Force to perform the tasks which I have already outlined. Egypt's acceptance of this resolution was a voluntary act, by which the Egyptian Government imposed on itself a qualification upon the exercise of its sovereignty.

"This decision was formally conveyed in an aide-memoire on the basis for the presence and functioning of UNEF in Egypt, an aide-memoire submitted to the General Assembly by the Secretary-General in his report on November 20, and subsequently noted with approval by the Assembly. In this aide-memoire, . . . the terms of which had been agreed between the Secretary-General and the Egyptian Government, the Government of Egypt declared:

'When exercising its sovereign rights on any matter concerning the presence and functioning of UNEF, it will be guided, in good faith, by its acceptance of the general resolution of November 5, 1956.'

"This is a quotation from the Egyptian communication. And that declaration was balanced in the aide-memoire by a declaration on the part of the United Nations, through the Secretary-General, and I quote, that 'the activities of UNEF will be guided, in good faith, by the task established for the Force' in the resolution of the General Assembly, and that—again I quote—in particular, the United Nations, understanding this to correspond to the wishes of the Government of Egypt, reaffirms its willingness to maintain the UNEF until its task is completed.'

"This, then, . . . is the nature of Egypt's consent to the presence and functioning of the United Nations Emergency Force on Egyptian territory. There has been no infringement on the sovereignty of the Government of Egypt by the action of any other government or governments. But in the arrangements made and in the agreement which I have referred to, the United Nations, which established this Force to do certain tasks, clearly has a right to be consulted as to whether and when these tasks have been discharged, as it would if they were to be extended. From this, it follows in our view, and this is the view of the Secretary-General also, that if Egypt should at any time make a request for UNEF's withdrawal, the appropriate procedure would be for that request to go first to the Advisory Committee on UNEF through the Secretary-General. There it would be discussed by the Committee which

was set up for that purpose by the Assembly, and if necessary and desirable the whole matter could then be referred to the full Assembly for decision. And therefore any question of whether UNEF should be withdrawn would become a matter for discussion with and decision by the United Nations. This is this government's understanding of the procedure which should be followed.

"Having said that, however, I should add if Egypt refused to accept the United Nations view that UNEF's task was still unfinished, and that UNEF should not be withdrawn, Egypt would, in our view, be nullifying its acceptance of the Assembly's basic resolution establishing the Force and laying down its function.

"Nevertheless, the Assembly does not have any authority under the Charter of the United Nations to create binding legal obligations on member states, and Egypt, therefore, could not, in the last resort, be compelled by the United Nations Assembly to continue to accept any resolution or to cooperate in carrying it out. The Assembly cannot force its view on any state although in certain contingencies the Security Council can attempt to do that."

8. In the series of annual reports entitled *Canada and the United Nations*, in *The Crisis in the Middle East, October-December, 1956*, in the monthly bulletin *External Affairs* and in the *House of Commons Debates*.

THE SENATE

Thursday, April 11, 1957

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

Routine proceedings.

HOSPITAL INSURANCE AND DIAGNOSTIC SERVICES BILL

FIRST READING

A message was received from the House of Commons with Bill No. 320, an Act to authorize contributions by Canada in respect of programs administered by the provinces, providing hospital insurance and laboratory and other services in aid of diagnosis.

The bill was read the first time.

SECOND READING

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

Hon. W. Ross Macdonald: I move the second reading now.

Honourable senators, this bill is generally known as the Hospital Insurance Bill. It provides hospital insurance, and laboratory and other services in aid of diagnosis.

Personally, it is a great satisfaction to me to be here to present this bill to this chamber. For many years, and particularly while I was a member of the House of Commons, I have been very much interested in this subject. It is also of great interest to the community from which I come, the city of Brantford, and as well to the whole industrial area of western Ontario. I was highly pleased to see that the young man who succeeded me as Member of Parliament for Brantford, Mr. James E. Brown, also took a keen interest in this legislation. I can assure the house that the people of my district at least are delighted that this hospital insurance plan is now to come into effect.

As honourable senators know, this is another step in the Government's plan to provide social services to all people in Canada. It is not necessary for me to review the history of this type of legislation over the past 40 years. The Right Honourable Mackenzie King, as we all recall, looked forward to a measure of this kind, and it was when he was Prime Minister that the national health grants program was put into effect. Under that program Parliament voted the sum of \$35 million per year to provide and improve health services throughout Canada.

It was from that beginning that the groundwork for this legislation was laid. Thousands of technical persons have been trained and hospitals have been enlarged—in fact, more than \$200 million in all has been spent in preparation for this step.

The interest in hospital insurance was continued by our present Prime Minister; and throughout the whole period the Minister of National Health and Welfare has been keenly interested in this subject and has been very persistent in keeping it in the forefront. I think the country as a whole should be very pleased and happy that we have the present Minister of National Health and Welfare in that portfolio. We all owe a debt of gratitude to him for the interest which he has taken in this subject. It must have been a great day for him, a historic occasion, when he introduced this bill in the House of Commons and when it was passed by that house.

At the dominion-provincial conference on fiscal matters which was held in Ottawa on October 5, 1955, arrangements were made for a subsequent conference to discuss the subject of hospital insurance. The subsequent conference, January 1956, was attended by representatives from the provincial departments of health and also from the federal department. After four days deliberation the Prime Minister of Canada and the Minister of National Health and Welfare made statements setting forth a proposal which the dominion Government hoped would make it possible to have hospital insurance in Canada.

Briefly stated, the proposal of the federal Government is to pay to each province which enters into an agreement 50 per cent of the cost of operation of its hospitals in connection with the ordinary care of patients, and 50 per cent of the laboratory and other services in aid of diagnosis. Honourable senators know that many patients go to hospitals merely for examinations, for diagnosis.

Hon. Mr. Davies: Is this provision for everyone, or only for indigents?

Hon. Mr. Macdonald: It is for everyone; there is to be universal coverage. The 50 per cent which I mentioned will be arrived at as follows: 25 per cent of the actual cost within a province will be paid by the federal Government to that province, plus 25 per cent of the cost on a *per capita* basis throughout Canada. I will explain later the purpose of this provision. The plan can be put into operation when a majority of provinces, representing at least 50 per cent of the total population of Canada, have entered into the agreement.

I have prepared some notes which set out in more detail what I have said; and there are a number of very interesting tables which, I think, honourable senators would like to see included in *Hansard*. I do not recall having seen them in the House of Commons *Hansard*, and I do not think they were presented in that house, although they may have been produced in committee.

The purposes which this bill seeks to achieve may be summed up as follows:

(a) It seeks to embody in legislative form the details of the federal offer to the provinces of hospital insurance and diagnostic services as announced by the Prime Minister on January 26, 1956.

(b) It authorizes the negotiation of agreements providing that the federal Government shall share with participating provinces the costs of insured hospital in-patient and out-patient services as well as diagnostic services.

(c) It defines the nature of the services whose costs the federal Government will share, as well as those which are excluded from the sharing arrangement.

(d) It establishes the actual formula on which the federal contribution to the participating provinces is based.

(e) It provides that the arrangement for federal sharing of the costs of provincial schemes shall commence when:

1. a majority of the provinces, representing at least half the population in Canada have

(i) entered into agreements with the federal Government under this act;

(ii) passed the necessary provincial legislation that will enable the provinces to carry out the undertakings required of a provincial law in accordance with this legislation;

2. the provincial law in each of the provinces is in force.

Honourable senators, the provincial law may in some instances be already in force. In others, as new legislation is passed, it may be provided that it shall come into force on receiving Royal Assent, or on a specific date mentioned in the provincial law, or by proclamation, or on a date to be fixed by proclamation of the Lieutenant Governor in Council.

If those provisions are included in the legislation, then it will be accepted.

Whatever the means adopted for bringing the law into force, this bill stipulates that only when six provinces have passed their definitive legislation and put it into force can the federal contributions commence.

Let me give an illustration of the way in which this provision operates. It may be

that in a given province the provincial law will provide that registration is to commence on a specific date; that premiums shall commence to be paid on a subsequent date, also specified; and that benefits shall not commence to be paid under the plan until six months after the collection of premiums has commenced. Now, that is not a far-fetched illustration. In fact, unemployment insurance started in a way similar to this. Contribution collections began six months before benefits began to be paid. I might also say that at least in one province, Nova Scotia, the commission appointed a year ago to study the federal proposal has recommended to the provincial Government a plan under which benefits would commence to be paid several months after the commencement of the premium collections. In the event of legislation along these lines, the Government requirement would be met as soon as the act itself was in force.

Hon. Mr. Isnor: I think it was some time ago, about a year ago, that this commission was appointed in Nova Scotia. Is that not right?

Hon. Mr. Macdonald: My honourable friend is right: it was about a year ago. And if its recommendation is carried out the province can enter into an agreement with the federal Government.

These are the main points embodied in the legislation now before the house.

May I draw the attention of the house to what was said in the other place in January 1956 concerning federal legislation. The Government said, in effect, that as soon as six provinces representing a majority of the population declared themselves ready to introduce hospital insurance, it would come to Parliament with a request for legislation authorizing grants to cover a share of the cost of these agreed services—that is, hospital insurance and diagnostic services. Honourable senators, the plan has been accepted already by five provinces, namely, British Columbia, Saskatchewan, Alberta, Newfoundland, and, last but not least, Ontario. With Ontario's acceptance of the federal proposal we now have the required majority of population, and need the accession of only one more province to have the required majority of provinces.

Hon. Mr. Euler: What are the prospects?

Hon. Mr. Macdonald: Well, I would say the prospects are very good. The Government and several of the provinces have been negotiating. I do not like to name provinces, but we are close to agreement with several of the other provinces.

Hon. Mr. Baird: What is the object of bringing the bill in at this time? Only five provinces have accepted, so is there any great urgency now?

Hon. Mr. Macdonald: That is a very pertinent question, and I am just coming to that point. My honourable friend asks why the Government has come forward with this legislation without waiting for the sixth province. I will give the reasons. First: the Government wishes to let Parliament and the provinces see, understand and approve the exact nature of the legislation as contemplated. Second: the Government feels that the provinces will naturally want to study this legislation with the greatest care. Third: within the limits prescribed by the complex legislation we shall then want to move on to the task of drawing up the necessary regulations, and after that to the still more important business of negotiating and concluding the actual operating agreements between the federal Government and the six or more provinces which intend to participate.

Honourable senators, I have gone to some pains to prepare this statement, because I expected questions would be asked.

I wish to point out that draft copies of the agreements have already been sent to the five agreeing provinces, and the Government is now awaiting the comments of those provinces on these proposed agreements.

Hon. Mr. Isnor: Mr. Leader, before you leave the agreements, may I ask if those five agreements are uniform with regard to terms? I ask that question because I was unable to understand why negotiations were necessary. You have laid down the formula, and I was wondering if you would cover that point.

Hon. Mr. Macdonald: The agreements are not necessarily exactly the same, but the principle is the same in all of them. The question may come up as to just what institutions are hospitals, for instance. One province may say that a particular institution is a hospital, while another province may say that some other type of institution is a hospital, but the principle in the agreements will be the same.

May I say a word as to financial considerations? The contribution of the federal Government will amount, as I have stated, to 50 per cent of the cost of standard ward care across the nation as a whole. The honourable member from Kingston (Hon. Mr. Davies) asked if this was to be just for indigents, and I replied that it would be universal in its coverage. Of course, hospital expenses of those persons taking private

wards, having private nurses, would be included in this to the extent only of the cost incurred for standard ward care.

Hon. Mr. Davies: The private patient would get a deduction?

Hon. Mr. Macdonald: The private patient would get a deduction.

Hon. Mr. Euler: Is there provision for people who become ill and do not go to hospital?

Hon. Mr. Macdonald: No, just for diagnostic and radiological services.

Hon. Mr. Euler: Well, if they are still in their own homes that is not provided for?

Hon. Mr. Macdonald: No, it is not provided for here. But this 50 per cent is a very large contribution; it amounts to paying half, or almost half, of every individual's hospital bill, except for private or semi-private charges, and then, as the honourable senator from Kingston has said, there is a credit.

I think honourable senators will be interested to know that on the basis of the carefully prepared 1956 estimates the total cost to the federal Government, with all ten provinces participating, would have been \$182.5 million for 1956. Of this amount, \$158.5 million would have been for hospitalization, and, \$24 million for diagnostic services. The 1957 estimates, with slightly higher costs, more hospital beds, and larger population, would closely approximate \$200 million for the federal share.

I have referred to what I might call the double-barrelled nature of the formula as it applies to individual provinces. Instead of payments being based on 50 per cent of the provincial average *per capita* cost, they are based on 25 per cent of the provincial average and 25 per cent of the national average. The effect of basing contributions in part on the national average is to benefit the poorer provinces whose expenditures are lower than the national average. For instance, for Newfoundland, whose expenditures on hospital care in 1956 were estimated at \$3,700,000 under this arrangement, the federal contribution would have amounted to 72 per cent, or to \$8.77 *per capita*. In fact, based on the 1956 estimates, six provinces, namely, Newfoundland, Prince Edward Island, New Brunswick, Nova Scotia, Quebec and Manitoba, would have received, under the formula, more than 50 per cent of the actual costs. On the other hand, the provinces whose costs are higher than the national average would have received something less than 50 per cent of the actual costs. The four provinces in this category are: British Columbia, Alberta, Saskatchewan and Ontario. I would draw attention

especially to the fact that all the provinces which will receive less than 50 per cent have now accepted the federal proposal and have indicated their readiness to proceed.

I have before me, honourable senators, a table which sets forth for each province the

per capita amount and the corresponding percentage which the provinces would have received in 1956. Perhaps instead of reading the figures now I could, with the consent of the house, place them on *Hansard*.

Hon. Senators: Agreed.

Province	Would have received in 1956:				
Newfoundland.....	\$ 8.77	per capita or	72%	of its total	shareable costs
Prince Edward Island.....	\$ 9.27	"	"	65%	" " "
New Brunswick.....	\$ 9.89	"	"	59%	" " "
Nova Scotia.....	\$10.21	"	"	57%	" " "
Quebec.....	\$10.91	"	"	53%	" " "
Manitoba.....	\$11.21	"	"	51%	" " "
Ontario.....	\$11.77	"	"	49%	" " "
Saskatchewan.....	\$12.22	"	"	47%	" " "
Alberta.....	\$12.36	"	"	46%	" " "
British Columbia.....	\$12.84	"	"	45%	" " "

Hon. Mr. Macdonald: Honourable senators, it has been said in some places that the federal Government's proposal to the provinces has not been generous. I am quite sure you will agree that the Government has been generous in its proposal if I were to indicate the actual amounts that the Government would have been called upon to provide under this formula in the year 1956, compared with the amounts that the provinces would have had to raise from premiums or other sources. I have the figures here, and with the permission of the house I will place them on *Hansard*.

Hon. Senators: Agreed:

	Federal share		Provincial share	
	Dollars	Per cent	Dollars	Per cent
Nfld.	\$ 3.7 million	72%	\$ 1.5 million	28%
P.E.I. ...	1.0 "	65%	.5 "	35%
N.B.	5.6 "	59%	3.9 "	41%
N.S.	7.1 "	57%	5.4 "	43%
Que.	50.7 "	53%	46.1 "	47%
Ont.	62.6 "	49%	66.5 "	51%
Man.	9.6 "	51%	9.3 "	49%
Sask.	11.1 "	47%	12.5 "	53%
Alta.	13.7 "	46%	15.8 "	54%
B.C.	17.3 "	45%	21.1 "	55%

Hon. Mr. Euler: May I ask the leader a question? Will the provinces pay the whole of the other 50 per cent, or is there any provision for contributions?

Hon. Mr. Macdonald: The provinces can raise their 50 per cent by premiums, or by taxation, as they see fit. One stipulation is, however, that the hospital care must be universal.

Hon. Mr. Euler: Do I understand that the 50 per cent will come from the province, and none of it from individuals?

Hon. Mr. Macdonald: It will come from the province, and it does not matter how it is collected.

Hon. Mr. Davies: May I ask a question? Who will lay down the regulations as to what coverage a patient will get under particular circumstances? As honourable senators probably know, the regulations of the commercial insurance companies which operate hospital insurance plans have some strange provisions. For instance, if a patient who requires a diagnosis, say for a basic metabolism test that takes only part of a day, wishes to enter the hospital the night before the test is to take place, he is told that no bed is available and he must come in the morning. He enters the hospital on the morning of the test, the doctor attends him, and later in the day he is allowed to go home. In those circumstances the insurance company makes no contribution towards the cost of service because the patient was not in hospital over night.

Hon. Mr. Macdonald: I am sure that before the Government enters into an agreement with a province the kind of case to which the honourable senator has referred will be provided for. There is provision, as I have already pointed out, whereby when a person goes in for an examination or for diagnosis the Government will pay

50 per cent of the cost, and that of course includes the cost of the over-night stay in hospital.

May I draw the attention of honourable senators to one important difference between the contribution to be provided by the federal Government in each province and that which is being made by the provinces themselves? The federal Government's contribution in every case is almost 100 per cent new money. That is, it is in its entirety an added charge on the federal exchequer. This is not the case with provincial contributions. In fact, the provincial contributions represent to a considerable extent moneys which are already being paid out for hospitalization by the provincial and municipal governments; consequently, the net amount of new money to be found by each provincial Government is very much less than the provincial share of the costs which I have just given. I have a table which

gives that picture very clearly, and with the consent of the house I would place it also on *Hansard*.

Hon. Senators: Agreed.

Hon. Mr. Connolly (Ottawa West): Would the honourable leader give an example from the table?

Hon. Mr. Macdonald: I will take the first province mentioned, Newfoundland. Under this proposal the cost to the Government of Newfoundland would be \$1,500,000. In 1955, the year given in the table, that province was paying out \$3,300,000. So under this plan Newfoundland would save \$1,800,000. Let me take the figures for Nova Scotia. Its share of the cost would be \$5,400,000. In 1955 it was paying out through the province and municipalities a total of \$3 million, so the amount of new money it would have to find is \$2,400,000.

This is the table:

Province	Provincial share of cost	Now being paid (1955)		New money to be found	
		By province	By municipality	Dollars	% of total costs
Newfoundland.....	\$ 1.5 million	\$ 3.3 million	Nil	Nil	(\$1.8 million saving)
Prince Edward Island...	\$ 0.5 million	\$165,000	\$ 15,000	\$320,000	21.3%
New Brunswick.....	\$ 3.9 million	\$700,000	\$ 1.2 million	\$ 2.0 million	21.1%
Nova Scotia.....	\$ 5.4 million	\$ 1.5 million	\$ 1.5 million	\$ 2.4 million	19.2%
Quebec.....	\$46.1 million	\$13.9 million	\$ 4.8 million	\$27.4 million	28.3%
Ontario.....	\$66.5 million	\$17.0 million	\$13.4 million	\$36.1 million	27.9%
Manitoba.....	\$ 9.3 million	\$ 1.4 million	\$ 2.2 million	\$ 5.7 million	30.2%
Saskatchewan.....	\$12.5 million	\$21.7 million	Nil	Nil	(\$9.2 million saving)
Alberta.....	\$15.8 million	\$12.0 million	\$ 3.0 million	\$ 800,000	0.3%
British Columbia.....	\$21.1 million	\$28.9 million	\$ 1.1 million	Nil	(\$8.9 million saving)

Even this, honourable senators, does not tell the whole story, for while the provinces have to find a certain amount of new money through the levy of premiums, or in other ways, a very much smaller sum has to be obtained by new premiums or taxation than the amounts presently paid under voluntary insurance plans and as direct payments by individuals on account of hospitalization. Almost without exception, the amount of money now being contributed by a part of the provincial population toward voluntary insurance plans is more than enough to provide all the new money required by a

province to make up the provincial share of costs for all the population of the province.

Hon. Mr. Lambert: Does that include the Blue Cross scheme?

Hon. Mr. Macdonald: That includes the Blue Cross plan.

Hon. Mr. Lambert: Will this proposed plan supersede the Blue Cross?

Hon. Mr. Macdonald: I should think it would supersede it.

Hon. Mr. Davies: Does that mean the Blue Cross plan will go out of business?

Hon. Mr. Macdonald: It will, unless the province can make an arrangement to allow that plan to be carried on. That is a matter for the province to decide.

Hon. Mr. Connolly (Ottawa West): Would the honourable leader repeat his last explanation?

Hon. Mr. Macdonald: I have it written out, so I will read it: Almost without exception the amount of money now being contributed by a part of the provincial population towards voluntary insurance plans is more than

enough to provide all the new money required by a province to make up the provincial share of costs for all the population of the province.

To back up what I said, I have another table which sets forth the new money required by the provinces, the amount of money now being paid by voluntary insurance premiums, and the direct payments by individuals. With consent of the house I will place this table on *Hansard*.

Hon. Senators: Agreed.

Province	New money required	Voluntary insurance premiums	Direct payments by individuals
	\$	\$	\$
Newfoundland.....	Nil	221,000	319,000
Prince Edward Island.....	320,000	282,000	Not available
New Brunswick.....	2.0 million	1,585,000	1,719,000
Nova Scotia.....	2.4 million	1,978,000	2,795,000
Quebec.....	27.4 million	15,358,000	12,965,000
Ontario.....	36.1 million	36,108,000	27,894,000
Manitoba.....	5.7 million	4,038,000	3,762,000
Saskatchewan.....	Nil	176,000	2,814,000
Alberta.....	800,000	2,571,000	Not available
British Columbia.....	Nil	359,000	4,518,000

Hon. Mr. Macdonald: What this amounts to, honourable senators, is this: in each province the provincial share of cost can be met by continuing present provincial and municipal contributions to hospital care, and by collecting from all the population of the province an amount equivalent to that being contributed at present for voluntary hospital insurance premiums by a portion only of the population.

Honourable senators, I have nothing more to say except probably to repeat just what the purpose of this bill is. The purpose is to give the Government parliamentary authority to negotiate the agreements we now have to negotiate with the provinces.

Honourable senators, I think we can confidently hope that by 1958, or any event not later than January 1, 1959, hospital insurance will be in actual operation in most of the provinces, for most of the people of Canada.

Hon. Senators: Hear, hear.

Hon. Norman P. Lambert: May I ask the honourable leader a question? Can he say whether or not there is any precedent in the history of our legislative procedure for presenting a bill in anticipation of the approval of the different provinces—that is, setting out the basis of legislation which the federal Parliament is willing to implement if in the future a sufficient number of provinces approve? Has not the procedure in the past been to wait for the provinces to enact implementing legislation?

Hon. Mr. Macdonald: I am not sure whether this procedure has been followed before or not. I think that, generally speaking, the honourable senator from Ottawa (Hon. Mr. Lambert) is correct. However, I am not sure whether the unemployment insurance agreements were negotiated in that way.

Hon. Mr. Lambert: I am not speaking of insurance legislation particularly.

Hon. Mr. Macdonald: Or whether old age pensions came into effect in 1926 in that manner.

Hon. Mr. Croll: No. One province waited four years, and another waited nine years.

Hon. Mr. Macdonald: But what the honourable senator from Ottawa asks is, if we ever passed legislation which enabled the Government to enter into agreements in the future?

Hon. Mr. Lambert: That is right—anticipatory legislation.

Hon. Mr. Macdonald: I should think we did that in the case of old age pensions legislation. My recollection is that all the provinces did not come into the plan at the same time.

Hon. J. Wesley Stambaugh: Honourable senators, may I direct a question to the Leader of the Government? With regard to the amount of the payment that will be made by the federal Government, will the amount be half of what the patient pays or half of the hospital costs? Now, I will explain that a little bit. I am a member of a hospital board. We charge the patient only \$1 a day but the actual cost to the hospital district is over \$7 a day, and the difference between the \$7 and the \$1 is made up by taxation of the people in that hospital district. What I would like to know is if that hospital will receive half of the \$7 or half of the \$1?

Hon. Mr. Macdonald: If the hospital charges the patient then the province will not get a share.

Hon. Mr. Stambaugh: Will the taxpayer in that hospital district still have to make up that \$6 or will a part of that be paid by the federal Government? That is the question.

Hon. Mr. Macdonald: If the patient is charged \$7 a day and it cost the hospital \$13, then the province would get a share of the \$6.

Hon. Mr. Stambaugh: That does not answer the question at all.

Hon. David A. Croll: Honourable senators, I cannot add very much to the excellent detail presentation which the Leader of the Government in the Senate (Hon. Mr. Macdonald) has given us. Yet because of my long association with the objectives of this bill I feel compelled to make a few comments and some observations. They will be of a more general nature.

Passage of this bill is, in my judgment, the most important social welfare achievement of this Twenty-Second Parliament. It has been one of the most important items of unfinished business on our calendar; and, as far as Liberals are concerned, it has been

on our conscience for a great many years. Throughout the period of my own participation in public life it has been an active public issue, an unsolved problem. I have spoken on the subject hundreds of times, in and out of the House of Commons. My first speech in the Senate, on January 18, 1956, dealt with the national health program which I hoped would be brought in soon to complete the magnificent program of social security legislation planned and carried out by the Liberal Government.

The groundwork was commenced on May 14, 1948, under the national health grants, and it has brought forward this measure which is by far the most important social advancement in a decade.

Now, at last, after years of waiting, we are finding in this bill an important part of the solution of the problem. For that, every member of this Twenty-Second Parliament has the right to feel a real measure of satisfaction. More particularly it is to the credit of the Government as a whole, and to the Prime Minister and leader of the Liberal party, that this important advance in social progress is now being made.

But more than to any other individual in the Government and in this Parliament, credit and praise for this achievement must be given to the Honourable Paul Martin, Minister of National Health and Welfare. He, more than any other single person, has brought this about. In all the years of his service as minister of the department he has persisted in his purpose. He has never lost sight of his objective. Through many periods of discouragement and delay he has continued to fight for what he believed in; and the result, in the form of this present measure, must give him abundant satisfaction.

There have been many Ministers of Health down through the years since 1920, when that department was established. Many of them have been interested in the achievement of health insurance. But it took Paul Martin, with his tireless energy and persistent dedication to a cause in which he steadfastly believed, to accomplish in 1957 what others before him had tried without success to achieve.

The honourable Leader of the Government has mentioned that the total cost involved is approximately \$400 million, which is to be shared on a 50-50 basis by the dominion and the provinces.

It is interesting to note the movement—the precipitate movement—of public opinion. The Gallup poll indicates that in 1956, 62 per cent, and in 1957, 72 per cent of the people of Canada were in favour of a health plan paid for by taxes. It is also interesting

to know the number of people now covered by various health schemes. Seven million have surgical insurance, 5.4 million have medical coverage, and 3.2 million—most of them in Saskatchewan, British Columbia and Alberta—are included in hospital schemes. Nevertheless, there is an overwhelming demand for the Government to take action in the form of a national health plan. It stems, I think, from the realization that the Government has been constantly concerned with human needs of individual Canadians.

This particular social measure produces adventure as well as security. It is just the first step: there is much more to come to fully complete the Canadian social mosaic.

The Government plans give the most value per dollar spent on health insurance, since there is no need for selling, advertising, or profits. The latest figures which I have been able to find indicate that, in 1953, for every \$1 of premium subscribed administrative costs were as follows: a casualty insurance company, 42.6 cents; a life insurance company, 17.5 cents; Ontario Blue Cross, 7 cents; British Columbia Hospital Insurance Service, 6 cents; Saskatchewan Hospital Service, 4 cents.

Hon. Mr. Connolly (Ottawa West): Per premium dollar collected?

Hon. Mr. Croll: Yes. These figures, I believe, are authentic and should be studied and understood by all Canadians, especially those who still believe that the words "Government" and "waste" are synonymous.

Now that we are embarking on this scheme it is interesting to take a look at the Ontario plan, with which many of us are familiar. It will provide standard ward care in either active treatment hospitals or hospitals for the chronically ill, including mentally ill and tuberculosis hospitals; unlimited in-patient diagnostic services; all necessary hospital extras such as transfusions, X-rays, drugs, operating room and the like; certain out-patient services and, at the outset or later, out-patient, diagnostic services. At the very minimum the plan will provide all the hospital benefits now available through the Ontario Blue Cross standard ward care plan, plus no limit on duration of necessary stay or amount of necessary extras, plus certain out-patient services, plus no limit on necessary hospital maternity benefits, plus hospitalization for tuberculosis and mental illness.

From all we have been able to gather, the premiums are not likely to exceed \$2.25 per month for a family and \$1.50 a month for a single person—which is one-half the present cost of Blue Cross standard ward care. No private plan can possibly compete. The Government plan is by far the best and the

cheapest. I think that indicates what is involved in the Ontario plan and speaks for itself. It will be some time, however, before it will be possible to integrate the various private schemes which are now available.

Five years ago, in 1952, only two provinces were interested in hospital insurance. Under this legislation five provinces have publicly declared their desire to proceed, and I venture to predict that by the time the program gets under way in Ontario at least eight provinces will have come into the scheme. In view of the dominion paying out 50 per cent of the cost annually, I cannot foresee how any province will be satisfied to pay into the public treasury and not take some benefit from it. If they stay out it will be for a very short time.

Honourable senators, let me just close by saying that this would not have been accomplished, this would not have become a reality in the lives of 16 million Canadians in 1957, had it not been for Paul Martin. For this, the crowning achievement in his ten years of accomplishment as Minister of National Health and Welfare, Canadians of the present and the future will be for ever in his debt.

Hon. Senators: Hear, hear.

Hon. A. K. Hugessen: Honourable senators, this sitting of the Senate puts me in mind of two previous occasions when I had the honour of being here, some years ago, both of which have stood out in my memory ever since. The first was in the year 1940, when the measure for unemployment insurance was introduced into this chamber. The second was a year or two later, when the first measure of family allowances was brought in here.

I welcome, as indeed I think every member of this house welcomes, this important and far-reaching measure of social benefit which is before us today. In brief, honourable senators, when it has been fully implemented it will ensure that the benefits of hospital care and basic diagnostic services will be available to all Canadians on an orderly and economically-sound basis.

I have a few observations, very general in character, to make on this legislation. The first deals with a point that was raised by my honourable friend from Toronto-Spadina (Hon. Mr. Croll). I think it is perfectly clear that the great majority of Canadians are in favour of a scheme of hospital insurance of this kind. As he said, the Canadian Institute of Public Opinion, our Gallup Poll, showed that 72 per cent of the people polled last September were in favour of such a scheme, and that this was 10 per cent more than were in favour of it only six months

earlier. So I think we can be certain that the people of Canada support this measure which we are considering today.

The second observation that I would make is this. When this scheme goes into operation it will be of enormous help to the average Canadian family—the family with a modest income derived chiefly from earnings and having nothing very much in the way of savings or capital accumulated against the misfortune of serious illness. Anyone who has ever had anything to do with social work has been brought face to face time and again with the devastating effect of long and serious illness upon the means and the morale of the average family. That was brought very clearly to my attention in the days of the war when I was chairman of the Dependents' Board of Trustees for Military District No. 2 in the District of Montreal.

The average family can stand a short illness. It can stand minor ailments, but the thing that unbalances its budget and brings it closer to ruin than anything else is prolonged hospitalization of one of its members. That is especially so in these days of increasing costs of hospitalization, of which all of us are fully aware. You cannot blame the hospitals for these increasing costs. They are of course subject to the same rules of economics as everybody else is. The burden of the wages they pay and the supplies they require is becoming heavier all the time. In addition, the hospitals are constantly introducing new equipment, new techniques and new technicians to improve the lot of humanity as new methods and means are discovered in the medical world. All these things cost money and every one of them is reflected in the substantially increasing cost of hospital care today.

My third observation, with which I shall close, is that this legislation will of course result in considerable expense. As the honourable Leader of the Government (Hon. Mr. Macdonald) has said, it is estimated that if it becomes universally applicable throughout Canada it will cost the federal Government in a full year \$182,500,000. Incidentally, with that in mind perhaps honourable senators will agree with me that it was a prudent thing for the Minister of Finance to budget for a surplus in his current budget. But I believe the people of Canada will be willing to meet this expense, heavy though it may be. I believe the people will realize that this expenditure will mean spreading the cost of hospital protection for the nation as a whole, thus relieving individuals and individual families of the excessive burden of paying for prolonged hospitalization, which sometimes financially ruins them today.

Hon. Senators: Hear, hear.

Hon. Cyrille Vaillancourt: Honourable senators, I would like to give a brief account of what is happening in my province of Quebec. We now have a measure of public assistance for our poor people, those who are unable to pay anything for hospitalization. These people are assisted by a fund to which 50 or 60 per cent is contributed by the province and the balance by the municipalities. But take the white-collar workers who pay income tax,—

Hon. Mr. Hugessen: They are not indigents.

Hon. Mr. Vaillancourt: That is right, but they are unable to meet their medical expenses, especially with regard to hospitalization. Under this federal health plan these people will for the first time be able to receive some assistance with respect to their medical costs. The white-collar workers in Quebec contribute a large amount of taxes to the federal treasury, and I hope that the Government of Quebec will come into this federal-provincial plan so that these people may receive assistance under it.

Hon. Mr. Paterson: Is it intended that this scheme will be administered by a commission or by the Minister of Health?

Hon. Mr. Macdonald: Each province will administer its own hospitals, and I presume that at the end of every year it will send an account to the federal Government, which will pay its share of the cost after examining the provincial expense sheet very carefully.

Hon. Mr. Davies: Will there still be a municipal hospital board?

Hon. Mr. Macdonald: Oh, I think so.

Hon. Mr. Baird: I rise on a point of privilege. In his remarks the Leader of the Government (Hon. Mr. Macdonald) classified Newfoundland as one of the poorer provinces. I object to that. We may not have all the money we need, but there are many other things besides money; we have many other kinds of wealth.

Hon. Mr. Macdonald: I quite agree with the honourable gentleman. I did not mean the word "poorer" to apply in any way to the wonderful manhood and womanhood of that province; they are not surpassed elsewhere in Canada.

Hon. Norman P. Lambert: Honourable senators, I ask for further enlightenment on one phase of this bill, which was referred to by the honourable senator from Toronto-Spadina (Hon. Mr. Croll), namely, the lesser cost of this plan as compared with the cost of the voluntary plans, such as Blue Cross. I have maintained a current interest in the development of this question of national

insurance, but have not looked carefully into the details of this bill. Generally speaking, I take it that the plan is one of endowment on the part of the federal Government, which the provinces will administer at their own levels of efficiency and need, according to the requirement of each province.

I think one very important principle involved is the extent to which this plan, if adopted by a sufficient number of provinces, will supersede entirely the present voluntary efforts of a vast number of people in this country to provide for their own needs, and those of their families, in time of illness and when the need for hospitalization arises. I know of many cases of younger people who through the co-operative effect of such movements have been able to relieve themselves of many of the heavier costs that prevailed in years gone by. It seems to me that a line of demarcation might be drawn in the application of this plan which would enable those who are able to bear the cost of voluntary hospitalization for a period of, say, three months, to do so. I say three months purely as a tentative period. After a period of, say, three months a great many victims of illness in need of hospitalization could then come within the scope of a public insurance plan in each province. I mention this from the point of view of economy only. I do not like the idea of establishing a level of payments to the provinces before it is known exactly how much they require. There is an estimated cost of \$182 million or \$200 million connected with the application of this legislation. If the provinces are to administer this whole plan, in addition to their own donations, it seems to me—and this has already been suggested in the province of Manitoba—that the plan should be based to a certain extent on a means test. It should not eliminate or supersede entirely the desire of people to avail themselves of their own voluntary services in times of difficulty, when they are perfectly capable of maintaining a voluntary insurance plan. Why eliminate that very desirable factor in the life of this country?

Hon. Mr. Euler: May I interject to say that perhaps the scheme is based on the same principle which the Government applies to old age pension. A good many people who receive the old age pension do not need it.

Hon. Mr. Lambert: I had that in my mind when I commenced to speak. The principle is very similar to that of the old age pension. My own feeling about that, quite frankly, is that there should be a means test for the old age pension, too.

Hon. Mr. Davies: Hear, hear.

Hon. Mr. Lambert: For instance, I doubt if the honourable senator from Waterloo (Hon. Mr. Euler) is in need of an old age pension nearly as much as I am.

Hon. Mr. Macdonald: You are not getting one.

Hon. Mr. Lambert: I know. I also know that legislation in this country, as in other countries, is based on the greatest good to the greatest number, a principle to which I subscribe, as a liberal of the John Stuart Mill school. At the same time, I also put a premium upon the willingness and the desire of people, especially young people coming into good-earning years of responsibility, to pay their own way as far as they are able to do so. It seems to me it should be made very clear that this plan of health insurance should be extended to benefit that section of our population which is below the average economic standard of our country, so that when sickness or misfortune overtakes them, they can be provided for. I think that should be kept in mind, and that a line of demarcation should be established, in the way of a means test of some kind, to lessen the cost of the service, particularly from the point of view of the federal treasury, which in the end is not going to be the controller of this situation at all. The controller is going to be each province which administers the act.

Hon. Mr. Davies: May I ask the leader (Hon. Mr. Macdonald) to clarify the position? I am somewhat concerned since hearing what the honourable senator from Ottawa (Hon. Mr. Lambert) said. Will this legislation completely wipe out the insurance which, for example, industries have taken out for employees in the Blue Cross plan or the Physicians and Surgeons plan, or will industries continue to have the privilege of maintaining their own private insurance agreements?

Hon. Mr. Macdonald: That would be a matter for each province to decide. But if they do maintain agreements such as my honourable friend mentions, the federal Government would demand that these apply to all members of the organization concerned. Just what the Government would do if the provinces allowed industries to carry on these agreements, I cannot say; but I can assure my honourable friend that the Government would examine the agreements most carefully. The purpose of this legislation is to cover every person.

My honourable friend from Ottawa (Hon. Mr. Lambert) referred to voluntary schemes. It is very interesting to note how the cost of this arrangement will affect, for instance, the

province of Ontario. In the course of my earlier remarks I placed on *Hansard* a table setting out the amount now being paid under voluntary insurance plans. Under this plan Ontario will require as its share \$36,100,000.

Hon. Mr. Lambert: For voluntary plans?

Hon. Mr. Macdonald: No, that is the amount the province will be required to provide to operate this plan. But at the present time in Ontario there is being paid voluntarily by a portion of the people the sum of \$36,108,000.

Hon. Mr. Davies: Of course, many of these people pay very small taxes in Ontario.

Hon. Mr. Macdonald: They probably do. But a portion of the people are now paying by way of voluntary premiums an amount equal to what the province will pay to cover its entire population.

My honourable friend also suggested that there should be a means test. I sympathize with his view, but it is difficult to put such a test into effect. Where would we stop? Honourable senators will recall that when the old age pension legislation first came into effect there was a means test for people of the age of 70. I do not recall the exact amount, but by way of illustration let us say that a man of 70, with an income of \$600, could not receive a pension, whereas a man with an income of \$599 would be eligible for one. In other words, a man who had spent his earnings throughout his life and arrived at the age of 70 with nothing, would get the old age pension, while a thrifty man who at 70 had some savings would receive no pension. I would remind honourable senators also of the early days of the family allowances legislation. When that measure first came into effect I think there was an upward scaling of benefits. For instance, if a family had an income of \$2,000 they received so much, but if their income increased to \$3,000 they got nothing.

Hon. Mr. Davies: I am sorry, but I do not recall any such regulations.

Hon. Mr. Smith (Queens-Shelburne): That scaling was done through the provisions of the Income Tax Act.

Hon. Mr. Macdonald: Yes, my honourable friend is quite right. Benefits were governed by the earnings of the family, but the arrangement was carried out through the provisions of the Income Tax Act. As I say, the means test has practical difficulties. No one has yet been able to solve them, and I have little hope that a solution will be found. I agree with my honourable friend from Ottawa (Hon. Mr. Lambert) that neither he nor my honourable friend from Waterloo

(Hon. Mr. Euler) needs the old age pension; and no doubt that statement would apply to almost every member of the Senate. But who is going to decide what amount of income should disqualify a person for the pension?

Hon. Mr. Davies: But everybody does not have to take the old age pension.

Hon. Mr. Macdonald: That is so, but the legislation is there. While most of the members of this chamber, for instance, do not need the old age pension, it is difficult to work out practical legislation to include a means test.

Hon. Mr. Lambert: May I ask the honourable leader another question? In the event that this legislation is not implemented until 1958, is there any possibility of the whole project being analyzed a little more closely by a committee of Parliament before the proclamation enforcing it is brought into effect? I ask that because, while the proposals in this bill were discussed in the other house and generally throughout the country, they have not received close attention from any committee of Parliament.

Hon. Mr. Croll: It just occurs to me, and I am speaking from recollection, that the honourable gentleman who just spoke was one of the men who in 1919 introduced the resolution on health insurance in the Liberal party platform. We have been discussing the proposal ever since.

Hon. Mr. Lambert: You are entirely wrong. I was not near the convention of 1919.

Hon. Mr. Croll: I am sorry: I am wrong. It must have been the senator from Toronto-Trinity (Hon. Mr. Roebuck).

Hon. John. J. Connolly: Honourable senators, may I say a few words in connection with this measure? In rising to speak I must confess that I have not the wide knowledge and deep understanding of this problem that have been displayed here this morning by the honourable Leader of the Government (Hon. Mr. Macdonald), the honourable senator from Toronto-Spadina (Hon. Mr. Croll) and the honourable senator from Inkerman (Hon. Mr. Hugessen).

It is important to keep in mind that this measure is designed to assist people. That has been clearly explained by the honourable gentlemen who have spoken. Moreover, it should be kept in mind that the coverage to be provided under this plan is not a complete coverage, but one which is expected to meet the essential need of the Canadian population for hospital care.

One aspect of the hospital insurance problem has not been mentioned. As I conceive it, this measure is not intended to be a final

measure. I believe it is the best tentative measure that could be devised, in the light of experience available at this time. I would like to think that as time goes on and as experience is developed the measure can be improved and strengthened. I have particular reference at this time, not so much to the great need of people for some hospital insurance—I think that has been well demonstrated in the speeches we have heard this morning—but, as this is an attempt to provide hospital insurance, to the hospital facilities themselves.

May I refer to the interpretation section of the bill, section 2, and in particular to paragraph (d) which reads:

"cost" means the cost, to be determined as prescribed in the regulations, of providing services in hospitals, but does not include

- (i) any amount expended on the capital cost of land, buildings or physical plant,
- (ii) any amount expended for the payment of any capital debt or interest thereon,
- (iii) any amount expended for the payment of any debt incurred prior to the coming into force of an agreement or interest thereon, or
- (iv) any provision for depreciation on the value of land, buildings or physical plant;

Honourable senators, perhaps most of the hospitals in this country are owned and operated in conjunction with municipal organizations. Hospitals of that character probably do not find the securing of money for capital requirements and servicing of their debt too difficult a task. Let me take an example: the Ottawa Civic Hospital is a fine, long-established institution. During its history it has spent large capital sums for expansion and development. When it requires such money, it applies to the Corporation of the City of Ottawa, and, if its program and budget proposals are approved by the city council, municipal debentures are issued to defray the cost of the capital program involved. In other words, the capital requirements of these publicly-owned hospitals, municipally-owned hospitals, are "on the rates".

On the other hand, the private institutions, the voluntary hospitals—and there are a great many of them, spread throughout the country—must appeal to the public for funds to cover their capital requirements, or must obtain the funds out of charges against the patients who come to the hospitals. I simply leave this idea with honourable senators.

I am informed that because no part of the federal contribution is going to take cognizance of the capital requirements of hospitals, including voluntary hospitals, the Canadian Hospital Association, which is made up of voluntary and privately-owned hospitals, is very much concerned about the future of appeals that they might have to make to the

public for money to defray costs of expansion and other increasing capital requirements. I do not make this statement with a view to being critical of the measure generally. I agree with the honourable gentlemen who have spoken of this measure as a step toward providing a form of social legislation which this country requires. The honourable leader has said nothing yet about how the scheme is to be paid for, and perhaps at the moment it is premature to ask, but I know there are plans.

Hon. Mr. Macdonald: Paid for by whom?

Hon. Mr. Connolly (Ottawa West): I mean, plans as to where the federal money will come from.

Hon. Mr. Macdonald: The consolidated revenue.

Hon. Mr. Connolly (Ottawa West): Thank you. I simply want to say that, while I do not oppose the measure, I believe a problem will emerge as a result of the definition of "cost" which I have cited. It is most important, I think, that the position of the voluntary hospitals and their problem of meeting capital requirements be kept in mind as the program envisaged by this measure is developed.

Hon. Mr. Croll: Honourable senators, may I rise on a question of privilege? I said a few minutes ago that I thought the honourable senator from Ottawa (Hon. Mr. Lambert) had introduced a resolution on this subject at the Liberal party convention of 1919. I have before me the House of Commons *Hansard* of Monday, March 25, 1957, and from page 2650 I quote—

The Hon. the Speaker: The honourable senator cannot quote from current proceedings of the House of Commons.

Hon. Mr. Croll: May I then make a statement without quoting *Hansard*? I said that at the Liberal Party Convention of 1919 the honourable senator had moved the resolution dealing with hospital insurance. I was wrong. The House of Commons *Hansard* indicates that Mr. Mackenzie King moved the resolution, that Senator Roebuck seconded it, and George P. Graham and D. D. McKenzie spoke to it on August 1, 1919.

Hon. W. Rupert Davies: Honourable senators, I am going to be brief. I regret very much indeed that a bill of this importance, and evidently a controversial bill which I think should be studied by a committee of the Senate, has been brought to us the day before Parliament is expected to prorogue. It is a regular practice to send bills over to us late in the session,

SECOND READING

and we pass them because we do not want to hold them up. But this is a controversial bill. There are many questions to be answered; I would like to ask some questions myself about it in committee. I have risen just to protest against leaving such an important measure as this for the day before prorogation.

Hon. Mr. Macdonald: Honourable senators, I too regret that situation, but I do not know what can be done about it. We adjourned our sitting yesterday afternoon waiting for the legislation to come forward so that we might consider it last evening. But it did not pass the House of Commons until a late hour.

Hon. Mr. Davies: Is it not a fact that in the other house several amendments were made to this bill?

Hon. Mr. Macdonald: No. Some amendments were proposed but none were made.

In answer to the question raised by the honourable senator from Ottawa West (Hon. Mr. Connolly), I can assure him the problems which he has mentioned have already come to the attention of the minister and officials of the department and will continue to receive their attention.

While we are giving credit to those whose efforts have brought about this bill, I think I should not sit down without also expressing our appreciation to the Deputy Ministers of the Department of National Health and Welfare, Dr. Cameron and Dr. Davidson. Over the years they both have taken a great interest in hospital insurance, and I am confident that they will most carefully examine the agreements which are to be entered into between the federal Government and the provinces.

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

THIRD READING

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

Hon. Mr. Macdonald: I move the third reading now.

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

AGRICULTURAL PRODUCTS MARKETING BILL

FIRST READING

A message was received from the House of Commons with Bill 403, an Act to amend the Agricultural Products Marketing Act.

The bill was read the first time.

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

Hon. Austin C. Taylor: I move the second reading now.

Hon. Senators: Hear, hear.

Hon. Mr. Taylor: Honourable senators, I regard it as a distinct honour and a great opportunity and privilege to speak to this motion, particularly as it relates to marketing, a very important item in the field of agricultural development. I would ask the tolerance of honourable senators while I attempt to explain the bill. But before I do so I wish to review some of the circumstances which have led to the necessity for marketing legislation.

I think it is agreed that from time immemorial there have been two major problems in relation to the great and important industry of agriculture: first, that of production; second, that of marketing. In the field of production great strides have been made, particularly over the last 20 years. This progress has been due primarily to new techniques, research and experimentation, and the mechanization of Canadian farms. It has resulted in the farm people themselves as operators becoming familiar with the know-how of modern techniques in relation to production. We still have a long way to go, because there will always be changes, resulting from scientific research and so on; but at the moment, it seems to me, our greatest problem is in the field of grading, packaging and marketing.

I believe the first piece of legislation on marketing in Canada was passed in British Columbia in 1927. At that time the conditions in marketing processes were chaotic, particularly with respect to vegetables and fruit, and in desperation, because they were facing bankruptcy, the producers in British Columbia appealed to the Legislature to pass a provincial marketing act. The request was favourably received, and pursuant to the act of 1927 boards were set up and functioned reasonably satisfactorily until 1931. In that year a dispute relative to the jurisdiction or authority of these boards went before the courts; the act was declared *ultra vires*, and the boards ceased to function. In 1934 another marketing bill was introduced into and passed by the British Columbia Legislature, based on their experience of previous years and their conception of the kind of act which would be constitutionally valid. Before the act went into operation it was referred to the courts, by whom it was declared

intra vires; and under it the boards are still carrying on, not entirely under the old law, but with appropriate amendments.

In 1933 the Legislature of New Brunswick passed a bill known as the Dairy Products Act, which gave the Government authority to set up a commission and confer upon it the power to regulate prices and spreads as between producers and consumers, and the margins permitted to dairies, and prices in not only retail but wholesale transactions with institutions such as hospitals. The reason for this legislation was the unsatisfactory fluid milk situation in relation to the market. At that time the farmer was receiving about 36 cents of the consumer dollar. In three years of operation the situation had so improved that the farmer's share of the consumer dollar had risen to about 68 per cent of the consumer dollar without an increase to the consumer of so much as a cent or a fraction of a cent. I think this sufficiently indicates the satisfactory way in which the act was administered and the effect of it. Admittedly its operation was mandatory; there was no option as regards people who were and were not under its operation, although there was this element of choice in so far as the producers were concerned, that it was for them to apply to the department for permission to set up a zone or area which would come under the jurisdiction of the commission. The system has been carried on satisfactorily until the present time.

It was in 1934, also, that the first dominion marketing act was passed. It included within its scope not only the marketing of agricultural products, but the produce of forest, land and sea; and I believe certain items were specifically included afterwards.

I think most honourable senators will recall that there was a feeling in the minds of a good many people in Canada that this legislation was unconstitutional, in that it was to apply to and control the marketing of products produced and consumed within a province. However, a few boards were set up under the act. One which was set up in my province was the Grand Manan Herring Board. It functioned particularly well up until 1937. It may be recalled that in the previous year the Supreme Court of Canada declared the act *ultra vires*, and in 1937 their decision was upheld by the Privy Council.

As the New Brunswick board which I have mentioned was operating under dominion legislation—I recall this very definitely, because I happened to be provincial Minister of Agriculture at the time—a delegation came before me during the legislative session of 1937 to ask for the passing of a provincial measure under which the board could function. Accordingly, and very hurriedly, our

Legislature passed that year what was, I believe, the third provincial marketing act in Canada. If my memory serves me correctly, British Columbia was the first province to pass such legislation, followed by Ontario and then New Brunswick. While I must admit that the operation of this particular board in New Brunswick was not constitutional, inasmuch as their product was going into the export market, nevertheless no objection was made to it and they continued to function under the act until 1949.

Although the British Columbia Marketing Act of 1934 was declared satisfactory and constitutional for marketing within that province, it was determined that the province did not have authority to market interprovincially or to export. By reason of that fact, in 1938 the province asked for federal marketing legislation that would permit the federal Government to transfer its authority in this field to the provincial boards. Such legislation was considered but was not introduced. In 1939 representations were again made to the federal Government for the introduction of a bill transferring this authority, but owing to the outbreak of war and the setting up of controls under the War Measures Act the federal Government asked the provinces and the provincial boards to reconsider their request and for the time being to leave this whole field of marketing to the federal Government, under the War-time Prices and Trade Board.

Everything done under the Dairy Products Act, which is purely a provincial act, was constitutional in that the products originated and were sold entirely in the province of New Brunswick, but by reason of controls and so on we were asked to discontinue the operation of our commission for the duration of the war. We agreed to this request and the federal Government, through the Wartime Prices and Trade Board, took control of prices and marketing to a great extent. There was therefore no particular need of any federal marketing legislation until after the war.

In 1949 after the wartime prices and controls were released, legislation known as Bill 82 was introduced in the House of Commons. That was passed, and many of the provincial boards have been functioning under that legislation, some of them illegally. I know this is true with respect to New Brunswick, and I would like to give an illustration of two boards functioning under provincial legislation with authority under the federal act in relation to export and interprovincial trade. The first was established in 1939 and was known as the Cheese Board. This board was set up because under the marketing system in existence at that

time we could not receive a fair price within $1\frac{1}{2}$ to 3 cents a pound below Montreal prices. The cheese was sold on an auction basis, and the buyers realized of course that it would cost us a considerable amount to sell it outside our province. After the board came into operation we were able to pay our producers a price equal to the Montreal price, and on most occasions a fraction above. This was achieved without costing the cheese consumer in New Brunswick or anyone else in the Maritimes an additional cent.

Perhaps I should have pointed out before that the provincial marketing acts are not mandatory. The state does not carry out the operation of marketing in a compulsory manner. The legislation, which is merely permissive, enables groups of producers of any one commodity to get together and agree by vote on a percentage basis whether or not they want to establish a marketing plan. In most cases this requires at least a two-thirds majority of the people engaged in the production of a specific commodity. In other cases it requires 80 per cent of the producers, who must apply to the department administering the act for the authority to set up a board under which they can operate.

Honourable senators, at this time I should like to pay tribute to the farm organizations for the tremendous job they have undertaken and accomplished. I should like to refer particularly to the Canadian Federation of Agriculture, and to the provincial federations of agriculture and local organizations. They have had to do a tremendous selling job among the producers. After the Cheese Board had been established we recognized that there was a problem in relation to the marketing of hogs. On the livestock markets in New Brunswick—the packing houses and the processing plants—we could not receive a higher price than from 2 to 5 cents a pound below the Montreal price. We were never able to get above it. There again the farmers recognized that something ought to be done in relation to the orderly marketing of this product. As a result, an educational program was put into effect by the farming organizations of New Brunswick. They went into all areas in the province to tell their story and ask the farmers to vote on the question of coming under a provincial marketing plan with respect to all live hogs sold. A vote was taken, and 98.3 per cent of the farmers voted in favour of such a plan. The board was established, and the farmers today are receiving almost the same price as farmers of Quebec and Ontario are receiving on the Montreal and Toronto markets.

I should like again to point out that, while these boards function under provincial legislation supplemented by federal authority,

never for one moment have the farmers or producers felt they have been compelled to operate in this way. Once a board has been established the farmers regard it as an entirely co-operative enterprise. Because of that fact I think a great deal of credit is due to the farmers and the farm organizations. It is not any easy task to sell individual farmers on the idea of letting an organization market their product, for the farmers have always been in the habit of marketing their own products. One reason for this is that the farmer, by the very nature of his occupation, is more or less independent in his thinking. He is a sort of individualist. By reason of the fact that no two farmers have exactly the same problems, farmers have become individualistic. However, over a period of years they have come to realize that in their field of operations the fundamental problem facing the farm producer is that of the grading, packaging and marketing of their products.

As a result of difficulties that different boards encountered, particularly the Ontario board, in relation to interprovincial marketing of products, they assess on the producer a certain tax or levy. Of course, the producers register each year, and as the product is marketed a commission or a levy is charged to cover the board's operations and so on. During the past year, I believe, it was decided by the courts in Ontario that inasmuch as this levy is an indirect tax the provincial act has no authority or jurisdiction in that field, and therefore the provincial authorities have asked the federal Government to introduce in Parliament a bill to amend the act of 1949, which is Chapter 6 of the Revised Statutes of 1952, to provide for those things that are lacking in their present act.

I now come to the bill itself. Section 1 strikes out of the preamble the words "outside the province". It adds to the preamble the following words:

and whereas it is desirable to facilitate such marketing by authorizing the imposition of levies or charges for the equalization or adjustment among producers of the moneys realized from the marketing of the products: . . .

This will give each provincial board authority to levy on the product which it is handling.

From section 2 also the words "outside the province" have been struck out. There has been added to that section the authority that may be granted by the Governor in Council. It reads as follows:

The Governor in Council may by order grant authority to any board or agency authorized under the law of any province to exercise powers of regulation in relation to the marketing of any agricultural product locally within the province, to regulate the marketing of such agricultural product in interprovincial and export trade . . .

I do not think I need to go into that further, for I hope I have explained it sufficiently.

Coming now to section 3, there is an amendment to section 4 of the old act; that is the section that has caused some confusion and concern, inasmuch as it adds an additional subsection in these words:

In any prosecution for an offence under this Act, the act or omission complained of, in respect of which the prosecution was instituted, shall, unless the accused proves the contrary, be deemed to relate to the marketing of an agricultural product in interprovincial and export trade.

That has been studied by a great many legal authorities in Canada—for instance, the legal authority of the Canadian Federation of Agriculture, the legal authorities of all provincial boards and, I believe, most of the provincial Attorneys General. An opinion has been given by the Attorney General of Ontario to the effect that that is the only workable manner in which the section could be worded.

Hon. Mr. Hugessen: May I interrupt the honourable senator? I think I am right in saying that section 3 was amended late last night in the House of Commons, on motion by the minister, and I do not think it reads now exactly as the honourable senator read it.

Hon. Mr. Taylor (Westmorland): Honourable senators, I am sorry I have not the amendments here, but I think I can state them to you, briefly.

Hon. Mr. Macdonald: May I suggest to the honourable senator that we might rise now until 3 o'clock this afternoon?

The Senate adjourned until 3 p.m.

At 3 p.m. the sitting was resumed.

SENATE CHAMBER

PRESENCE OF STRANGERS DURING LUNCHEON RECESS

Hon. W. Ross Macdonald: Honourable senators, before we commence our proceedings this afternoon I should like to report to the house that it was brought to my attention a few minutes ago that during the luncheon recess, and while the Mace was on the Table, a number of persons came into the Senate lobby, passed the bar at the south entrance to the chamber and came on to the floor of this house. That, of course, should not have been allowed.

Directions should be given to the officers of this house that when the house is in session, and even while it is in recess, no one except senators and officials should be allowed

to come on to the floor of the chamber. I believe we should go further and direct that even at other times no one apart from senators and officials should be allowed on the floor of the chamber, without the permission of His Honour the Speaker or the Clerk of the Senate.

This chamber is not open to the public to come in at any time and sit in our seats.

Hon. Mr. Davies: I wondered where the cigarette butt on my desk came from.

Hon. Mr. Macdonald: I have been told that some persons were smoking. That, of course, should not be allowed in the chamber at any time.

I felt, honourable senators, that this matter should be brought to the attention of the house.

Hon. Mr. Connolly (Ottawa West): Should any other action than that suggested by the honourable leader be taken?

Hon. Mr. Macdonald: I have taken the action of reporting it to the house, and of suggesting that, in future no one who is not a member of the chamber or an official should be allowed to come on to the floor without the permission of His Honour the Speaker or the Clerk of the House, particularly when the Mace is on the Table.

The Hon. the Speaker: Honourable senators, I will take steps to ensure that the appropriate officials are advised accordingly.

AGRICULTURAL PRODUCTS MARKETING BILL

SECOND READING

The Senate resumed debate on the motion of Hon. Mr. Taylor (Westmorland) for the second reading of Bill 403, an Act to amend the Agricultural Products Marketing Act.

Hon. Mr. Taylor (Westmorland): Honourable senators, before the recess I was endeavouring to explain section 3 of the bill. The honourable senator from Inkerman (Hon. Mr. Hugessen) asked a question in connection with an amendment to that section. I now have a copy of the bill as amended in the other house, and I believe honourable senators have copies.

Section 3 has to do with an amendment to section 4 of the present act, which is chapter 6 of the Revised Statutes of Canada, 1952. By the amendment the present section 4 now becomes subsection 1 of section 4, with the exception of three words "Outside the province", which are struck out. Subsection 2 of section 3 of the bill now becomes subsection 2 of section 4. It reads as follows:

In any prosecution for an offence under this Act, the act or omission complained of, in respect of

which the prosecution was instituted, shall, unless the accused proves the contrary, be deemed to relate to the marketing of an agricultural product in interprovincial and export trade.

I am explaining this bill from the layman's point of view, and I accept the decisions and recommendations that have been given by the various legal authorities in Canada. I understand that the legal representatives of all the provincial boards, and, I believe, most of the provincial Attorneys General, have approved of the wording of this particular section. Certainly the Attorney General for Ontario has approved it, as has the Minister of Justice for Canada.

The reason for this subsection, as I understand it, is this: in the province of Ontario, for instance, there are at the present time 17 boards marketing products under provincial legislation, and handling about 30 commodities, such as small fruits and vegetables, peas, corn, tomatoes and the like. When a board sells a product to a processor it has no way of knowing where that product is sold or consumed. Only the processors and certain transportation organizations know where products, after they are processed, are sold and consumed within Canada. This section is required in order to clarify the situation and to legalize what is being done, and to make the various boards operative to the greatest possible degree.

Honourable senators, I do not think I need say anything further about this proposed legislation, except to repeat what I said earlier, that in the field of agriculture, great strides have been made over the past decade in the matter of production. This is due largely to mechanization, new and modern techniques, and the know-how by the agricultural producers themselves. This progress is evidenced by the fact that between the years 1946 and 1955 Canadian farmers produced 30 per cent more than they had prior to that time, with 30 per cent fewer people engaged in agriculture. That indicates the reasonably good job that has been done in production.

With respect to grading, packaging and marketing, the farmers themselves realize the burden of the undertaking, but they want to do the job themselves. They do not want to ask Governments to do it for them; they ask their Government to give them the machinery whereby they can do the job themselves. So at this time I want to pay tribute again not only to the farm organizations, and to the members of the various boards, but to the individual farmer who has made possible the setting up of organizations for proper packaging and grading, so that there will be an orderly marketing program.

I approve of this bill in its entirety, and I trust that honourable senators will vote unanimously for its adoption.

Before resuming my seat I should like to take this opportunity of making a personal reference. I trust honourable senators will forgive me for doing so. Prior to October 8, 1952 it was claimed that I had the distinction of holding a portfolio in agriculture for more consecutive years than any other person in the British Empire. I have been told that is true, and I believe it is true.

Some Hon. Senators: Hear, hear.

Hon. Mr. Taylor (Westmorland): On October 8, 1952, the day I resigned from the provincial cabinet along with my colleagues, that mantle of distinction as to length of tenure of a portfolio in agriculture fell upon the shoulders of my good friend the Right Honourable James G. Gardiner, about whom I would like to say a few words.

I doubt if anyone in this chamber knows Mr. Gardiner in his official capacity better than I do. During the 17 years that I was a minister in my own province there were many occasions when I appeared before him and the other members of the cabinet with respect to matters pertaining to agriculture. May I say that we did not always agree; indeed, we often had a bonnie scrap. The right honourable gentleman was always at his best when in a fight. But I wish at this time to express my warm regards for Mr. Gardiner, who to me is a great agriculturist, a great administrator and a great Canadian. The record shows that he has been in public life since 1914, during which time he was out of Parliament for only five years. He served some 12 years or more in the Saskatchewan Government, four years as a minister and four years as Premier. For twenty-two consecutive years he has served as Minister of Agriculture for Canada. That, I believe, is not only a British Empire record but a world record. It is a fine record in any man's language. And while, as I say, I have not agreed with him on a number of occasions, I must admit that to me he has been and is the greatest Minister of Agriculture Canada has ever had.

Some Hon. Senators: Hear, hear.

Hon. Mr. Taylor (Westmorland): He has been foremost in recognizing farmers' problems from coast to coast. I say that for eastern Canada as well as western Canada, because I know something of his activities. At times some of us thought he did not act soon enough or quickly enough, but I think when you go back over his record in the application of policies and the working out of legislation which he has introduced there

have been very few occasions when his decisions have been proven wrong. In that connection I think even his strongest political opponents have great admiration for him. So on behalf of eastern Canadian farmers, particularly the farmers of my province, I want to pay a tribute to this great man. I hope he will be spared for many years to serve as Minister of Agriculture of Canada.

Some Hon. Senators: Hear, hear.

Hon. Cyrille Vaillancourt: I would like to ask the honourable senator a question. Naturally, I do not oppose the bill. To preface my question I will read part of subsection 2 of section 2:

The Governor in Council may by order grant to any board or agency mentioned in subsection (1) authority,

(b) in relation to the powers that may be granted to such board or agency under this Act with respect to the marketing of any agricultural product in interprovincial and export trade, to fix, impose and collect levies . . .

Let us take as an example the marketing of maple products of the province of Quebec. The honourable senator from Westmorland (Hon. Mr. Taylor) stated this morning that two-thirds of the producers would have to join an organization before it could be set up under the Agricultural Products Marketing Act. Now, the other one-third, let us say, are members of co-operative organizations, but they are required to pay into the marketing organization set up under the act. Now, can that marketing organization impose and collect levies or charges from persons who are members of a co-operative organization?

According to this bill, the marketing organization under it will have authority to collect levies from every farmer connected with, let us say, the milk industry. It will be very hard to collect from individual farmers a levy of one cent or a quarter of a cent and so on.

Hon. Mr. Taylor (Westmorland): I am not just sure what the Quebec law requires in relation to the percentage of farmers who must belong to a board before it comes into operation. In New Brunswick there is a provision in the corresponding provincial act that the proportion shall be not less than two-thirds, but in most provinces, in the marketing of certain commodities, the minister requires at least 80 per cent, and in some instances 100 per cent participation. I can only give you as an illustration the marketing of cheese in New Brunswick. We had about 80 per cent of the cheese producers in favour of it and 20 per cent not in favour, and owing to the small number of producers engaged in producing milk for cheese making I was not satisfied and I told the organization

when it came to me that we must have 100 per cent co-operation of this group before we would think of bringing a board into existence.

It is true that the authority of any board does not necessarily cover all the province; it may only have authority over a commodity produced in a certain area of the province. In such a case, producers of the commodity outside that area do not come within the jurisdiction of the board.

Regardless of what the Quebec law requires as to the percentage of producers needed to set up a board, once in operation the board requires that all producers shall market through the board in an orderly manner and pay a levy, or a levy will be deducted from money owing to them, to cover the expenses of the operation of the board and in some cases to provide, shall I say reserves. For instance, our Cheese Marketing Board in New Brunswick, when cheese prices are high, deducts a certain amount from the farmers' returns and builds up a reserve so that we are able to maintain a uniform price throughout the year even during the time when prices received for cheese are low. That is one of the proper functions of the board, I believe.

Hon. Mr. Vaillancourt: In the province of Quebec 75 per cent of the farmers must have joined before the organization can operate, but as to the other 25 per cent, has the organization authority to require them to pay a levy to the board? This is important, because if the price of the product is increased it is probably done through the operation of the board, and farmers who do not pay any levy receive the same price.

Hon. Mr. Taylor (Westmorland): I think, honourable senators, that all producers in the area in which the board is functioning must market through that board. I grant you there is a form of compulsion in it, but it is only compulsion by the group, by the farmers themselves, not by the Government. When the product is marketed through the board, the board must deduct the expenses of its operation from the returns due the farmers or producers.

Hon. Mr. Vaillancourt: I suppose, then, if 80 per cent of the producers sign a contract with this marketing organization the other 20 per cent are obliged to join?

Hon. Mr. Taylor (Westmorland): Yes.

Hon. Norman P. Lambert: May I ask the honourable senator from Westmorland if the administration of boards under this measure will be a matter of responsibility for the Governor in Council or the minister?

Hon. Mr. Taylor (Westmorland): First of all, honourable senators, I do not think there is an exception to the rule that all provincial marketing boards in Canada have co-operated with each other in relation to the orderly marketing of products of any province. But if difficulties should arise, there is authority under this bill for the Governor in Council, by order, to revoke regulations or to set up regulations.

Hon. Mr. Lambert: Thank you. I would like to mention another point that was not clear to me. The marketing board in each province will have authority to require that all agricultural products marketed in that province be channeled through its organization. The bill, however, refers also to the interprovincial movement of agricultural products. In the exercise of its authority how will a provincial marketing board distinguish between the amount of product which is marketed for local consumption, and that used for interprovincial movement and for export?

I might say here that in various parts of this country there have been rather acute cases of overproduction; for example, of hogs in Alberta and poultry and eggs in British Columbia; and in each case much difficulty has occurred occasionally in finding markets for these products in other parts of Canada. With the co-operative principle which underlies this bill I am in complete agreement. As the honourable senator knows, I have had some contact with it in connection with agricultural affairs in this country, and I think it is a sound principle. However, because of climatic and other factors which influence the production of this, that and the other commodity, economic conditions sometimes work hardship. For instance, the producers of Alberta might be prevented from shipping butter, eggs or hogs to an eastern market; and in such cases the decision will have to be made by the Minister of Agriculture or the Governor in Council. That is a problem which, I believe, will confront the Government in the administration of this act.

Hon. Mr. Taylor (Westmorland): I would like to try to answer the honourable senator's question in two phases. When in any province a marketing board is set up, all agricultural products do not come under its control. Usually each commodity group sets up its own board. In New Brunswick, aside from the potato marketing board, which, owing to various difficulties with which I believe some honourable senators are familiar, is not functioning at the present time, there are two operating boards for cheese and hogs, and commodity groups which want

to avail themselves of this marketing legislation can bring themselves under it. That is to say, a certain commodity group may be organized within a particular area and come under the board; but producers outside that district are not included.

As to the second part of the question: by this amendment the Governor in Council has authority to grant jurisdiction to provincial boards in matters of export and international trade; but, while a board, say in Alberta, without this authority has no right to ship into another province, if this amendment should be adopted, and if the buyers of hogs should try to put a squeeze on producers in New Brunswick, the board has the right, under this legislation, to authorize shipments to, say, Montreal or Toronto—something they could not do before.

Hon. Mr. Lambert: It works both ways.

Hon. Mr. Taylor (Westmorland): Yes, it works both ways.

Hon. Arthur Marcotte: Honourable senators, I came into this chamber a few minutes ago when the honourable senator from Westmorland (Hon. Mr. Taylor) was referring to the gratitude felt toward the Minister of Agriculture and the great respect in which he is held. For a long while the minister and I have been politically opposed, but I stated years and years ago that I was a great admirer of James G. Gardiner, and I am very glad indeed to pay him the tribute that he is, possibly, the best Minister of Agriculture we have had.

Some Hon. Senators: Hear, hear.

Hon. Mr. Marcotte: I have not had time to study the bill carefully, but it seems to me that there is something wrong about it. I know that some honourable senators will smile when I say that I do not agree with the principle of delegation of powers which I find in it. It is absolutely unconstitutional. Delegation of power from a province to the federal Government is wrong. I have not time to argue the point; I wish I had, for I would be very glad to do so. It may be said that it is right because it is wrong, for in the wrong there is a right; we are to do well with what we have. With that I agree, but I would remind honourable senators that I am speaking only for myself, not for those on this side of the house. That has been my position for the last three or four years, and it is so now, when I am alone at the end of the session.

Let us think for a moment of what is involved in this proposed delegation of powers. Honourable senators have no doubt about it in their minds? Perhaps not, but if I had the chance to speak at length I would

create a doubt. However, at this time I will only repeat that it pleased me very much to hear what fell from the lips of my honourable friend about James G. Gardiner, for in my opinion he is the best Minister of Agriculture the country has had.

Hon. A. K. Hugessen: Honourable senators, I should like to refer for a moment to a remark made by my honourable friend from Ponteix (Hon. Mr. Marcotte), that a wrong is involved in a right. I have no objection whatever to the principle of the bill, but I find something at the end of it which I think is wrong and to which, not only as a member of this house, but as a lawyer, I should direct attention. Section 4 of the act is to be amended by adding a subsection which reads thus:

(2) In any prosecution for an offence under this Act, the act of omission complained of, in respect of which the prosecution was instituted, shall, unless the accused proves the contrary, be deemed to relate to the marketing of an agricultural product in interprovincial and export trade.

In other words, this subsection violates the good old British principle that a man is innocent unless he is proved to be guilty. My honourable friend from Westmorland (Hon. Mr. Taylor) said that this section had been approved by various Attorneys General and by the Minister of Justice. I do not care how many Attorneys General or how many Ministers of Justice approved it. I think it is wrong. The further explanation which he gave was that it might be difficult for one of these provincial boards to prove in a prosecution that the defendant was doing something which related to interprovincial and export trade. Now, I have never before heard it set forth as an argument in connection with a criminal offence that it should be made easier for the prosecution to prove the commission of the offence just because it would be difficult to obtain a conviction otherwise. It seems to me that if there is a prosecution under this section it should be perhaps a little more difficult for the prosecution to prove, say, that a sale has been made to another province. I do not know why in this bill, introduced at the last stage of the session, we should incorporate the vicious principle that a defendant is presumed to be guilty unless he can prove his innocence. For the life of me I cannot understand it, and I am afraid that unless this section is stricken out I shall have to vote against the bill on second reading.

Hon. Mr. Davies: Is this the section which was amended by the House of Commons last night?

Hon. Mr. Hugessen: No. It was the previous one that was amended by the striking out of a few words. My honourable friend from

Ottawa (Hon. Mr. Lambert) tells me that the House of Commons did not discuss at all the subsection which I have just dealt with.

Hon. Mr. Taylor (Westmorland): Honourable senators, as I have said before, I am not a lawyer, and therefore I am not competent to discuss this legislation from a legal point of view. I would point out that it would be very difficult for an informant to prove a violation of a regulation, and in many cases it would be impossible—

Hon. Mr. Hugessen: Why?

Hon. Mr. Taylor (Westmorland): Because he would have no knowledge of where the product goes. Only the processor or the man who purchases it and transports it can prove where it goes.

Hon. Mr. Hugessen: Then the only thing to do is summon the processor as a witness and ask him.

Hon. Mr. Taylor (Westmorland): As I say, I cannot argue this from the standpoint of law, but I do know that quite a number of bills with provisions similar to this have been passed. We all recognize the force of the suggestion made by the honourable senator from Inkerman (Hon. Mr. Hugessen) and I know that many people do not feel they want to break away from the old British tradition of justice. I appreciate that sentiment, but I am considering this in the terms of the workability of the boards functioning under this act.

Hon. W. D. Euler: Honourable senators, I am neither an agriculturist nor a lawyer, but I rise to ask a question and get some enlightenment as to whether this bill means what I think it may mean. I quite agree with the argument presented by our colleague from Inkerman (Hon. Mr. Hugessen), but I would like to point out that two or three years ago, on the very last day of the session, there was introduced in this chamber, a bill affecting the Department of Agriculture, making it possible for the minister to prohibit the carrying of a product from one province into another. That bill went through over the protest of a number of us here. At the next session I introduced a bill to repeal that particular provision, and the Government consented and the provision was repealed. It may be that I am entertaining fears unnecessarily, but would the measure now before us interfere in any way with the right of any producer in any one province to ship his goods into another province? If it would, I am opposed to it.

Hon. Mr. Taylor (Westmorland): As I understand it, this bill would permit the authorities within a province to sell to other provinces without violating the provisions of local boards.

Hon. Mr. Euler: But under this bill would the federal Government have the right to say that a producer in any one province may be prohibited from exporting his goods to any other province?

Hon. Mr. Taylor (Westmorland): It is just the opposite.

Hon. Mr. Euler: I am glad to know that.

The Hon. the Speaker: Honourable senators, the question is on the motion of Hon. Mr. Taylor, seconded by Hon. Mr. Davies, for the second reading of Bill 403, an Act to amend the Agricultural Products Marketing Act. Is it your pleasure to adopt the motion?

Some Hon. Senators: Agreed.

Hon. Mr. Hugessen: On division.

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

THIRD READING

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

Hon. Mr. Taylor (Westmorland): Honourable senators, on the grounds of urgency, and with the unanimous consent of the house, I would move that the bill be now read a third time.

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

UNITED KINGDOM FINANCIAL AGREEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 238, an Act to amend the United Kingdom Financial Agreement Act, 1946.

The bill was read the first time.

SECOND READING

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

Hon. W. Rupert Davies: Honourable senators, I move the second reading now.

This is a bill to ratify a new agreement between the United Kingdom and Canada, the signing of which was announced in the House of Commons by the Minister of Finance on Wednesday, March 6, 1957.

The new agreement takes the place of the financial agreement signed between the United Kingdom and Canada on March 6,

1946, which called for the waiving of interest instalments only on the part of Canada under certain conditions relating to the state of international exchange and the level of the United Kingdom gold and exchange reserves. Another agreement signed that year between the United Kingdom and the United States called for the waiving of interest instalments only on the part of the United States under similar conditions. The new agreement is not for any waiver of interest but for deferment of both the interest and the principal instalments under certain conditions.

When I was asked by the honourable leader (Hon. Mr. Macdonald) to introduce this bill I thought to myself how true is the saying that chickens come home to roost. In 1946, after Parliament had agreed to lend the United Kingdom Canada's share of the full loan of \$5 billion—Canada lent \$1½ billion, and the United States \$3¾ billion—I was in London attending the meeting of the Commonwealth Press Union Council. The next meeting, in 1950, was held in Ottawa, and I have no doubt that a number of senators were at the garden party given by the High Commissioner of the United Kingdom on that occasion. While I was in London a dinner was given at Claridge's by the late Lord Astor, the husband of Lady Nancy Astor. Lord Astor was the publisher of the *Sunday Observer*, a very prominent newspaper. All the Astors are in the newspaper publishing business; I know them well. The Astor family has a definite relationship with Canada. John Astor, publisher of the *Times*, married Lady Violet Elliott, the daughter of Lord Minto, a former Governor General of Canada. Another connection with Canada arises from the fact that Lady Violet Elliott married first into the Lansdowne family, and today her eldest son is the Marquis of Lansdowne, a descendant of another former Governor General. I mention that in passing.

To continue my story: At the dinner many prominent financial people were present. I was invited as a Canadian senator. Those present were discussing the prospect of getting this loan passed, for it had not yet passed the United States Congress, although it had been approved by the Executive and signed. Among the guests was the very distinguished financial authority Lord Balfour of Burleigh. They put me on the spot as to what the attitude of Canada would be if, for instance, Britain was unable to pay the interest on the loan. I replied, "Well, of course I cannot speak officially, but in view of the fact that the British people stood up to the Hitler crowd for two years, almost alone, I do not think Canada would be ungenerous if Britain were not in a position

to meet her payments." However, the difficulty was that one of the newspaper lords over there who owned a paper with a very wide circulation was constantly arguing in big type on the front page that Britain did not need the loan. I said to Lord Balfour: "Why are we meeting and discussing this matter, when a very prominent newspaper, owned by a rich baron, says Britain does not need the loan?" I shall always remember his reply: "That is nonsense. I will put it this way: If we do not get the loan we shall not for many years have butter on our bread, or sugar in our tea." When I said that I did not believe Canada would be ungenerous, I little thought that some day I would be introducing this bill.

So I have stated, the 1946 agreement between the two countries was for a loan of \$5 billion, the United States' contribution to be \$3½ billion, and Canada's contribution \$1½ billion. Interest and principal payments were to be made annually by the United Kingdom. Honourable senators will recall that late last year, owing to difficulties in which the United Kingdom found herself, she asked to be allowed to take advantage of the waiver clause in the 1946 agreement. The new agreement, which has already been signed by the two countries, will defer the interest payment of \$22 million, which was due to Canada in 1956, but honourable senators will be glad to know that the instalment of principal due in 1956, amounting to \$15 million, has been paid. In future we possibly shall be asked to defer both the interest and principal payments on specific occasions.

Article I (i) of the schedule to the bill provides:

No more than seven such annual instalments may be so deferred. The first of any such deferred instalments shall be paid on December 31, 2001, and the others shall be paid annually thereafter, in order.

Paragraph (iii) reads as follows:

Deferred instalments shall bear interest at the rate of two per cent per annum payable annually on December 31 of each year following that in which deferment occurs.

This loan agreement of 1946 was known as a "package deal"; that is, it was contingent on Canada and the United States agreeing to the terms of the loan. That agreement contained three provisions. The first related to the general balance of payments; the second related to the level of United Kingdom exports; and the third provided that any waiver of payments had to be agreed to by both Canada and the United States. A fourth provision, in the United States agreement only, was very complicated, but it could not affect Canada unless the United States refused to waive a payment.

It might interest honourable senators to know that the provisions of this Bill 238 has already been passed by the United States Senate, and by the House of Representatives, I think, as recently as yesterday. So the agreement now awaits only our consent. The changes proposed in this bill are exactly the same as the changes in the United States bill.

In view of the fact that the recent British budget estimates expenditures of \$12 billion in the coming year for a population of 52 million, while our own budget estimates expenditures of over \$5 billion for a population of only 16 million, some people may think that the United Kingdom does not need any financial concession by Canada at this time. Nevertheless, we can be sure that Britain is going through a very difficult period. Wages are fairly low. I happen to know that the superintendent of a big transport corporation, which operates 35 large lorries, is paid 10 pounds a week, or about \$28 in Canadian currency. The rate of pay for a comparable position in Canada is \$75.

Taxes in the Old Country are very high. As you know, almost every wage earner has to pay income tax. For instance a person getting as little as \$21 or \$22 a week pays a tax. Furthermore, all wage earners are subject to payroll deductions for social security purposes. A man making 7 or 8 pounds a week is subject to a deduction of 5 shillings for social security, and his employer has to better that by one shilling. So the Government collects through that one worker 11 shillings per week.

However British people are happy and contented, and doing the best they can under difficult conditions. They have not the money that we in Canada have to spend on luxuries; they must economize in various ways.

Honourable senators, I have no hesitation in recommending that the Senate pass this bill and ratify the agreement which has already been signed. I believe that by doing so we shall be making a fine gesture toward Great Britain and be doing ourselves a good turn as well.

Hon. Mr. Euler: May I ask my friend what is the date to which the annual instalments are deferred? I understood that it was into the next century.

Hon. Mr. Davies: The payment of any deferred instalments will not start until the year 2001.

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

THIRD READING

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

Hon. Mr. Davies: I move the third reading now.

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

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, we have completed the work on the Order Paper. I am advised that the House of Commons is now considering the bill for interim supply which, when it is passed, will come to us. At what hour it will come, I do not know.

There are before the other house several bills with respect to avoidance of double taxation, similar in nature to the bill we have just passed. I believe there are three agreements to be ratified: two are with the Union of South Africa, one in connection with succession duties and the other concerning income tax; and one with the Netherlands, in connection with income tax. I understand that is all the legislation that will come before us at this session.

Therefore, honourable senators, I suggest that we rise now, to reassemble at the call of the bell.

The Senate adjourned during pleasure.

At 9.15 p.m. the sitting was resumed.

Hon. Mr. Macdonald: Honourable senators, before coming into the chamber I went to the House of Commons gallery, and I found that the interim supply bill is still under consideration. There is very little possibility of the bill reaching us this evening. Accordingly, I suggest that we adjourn until tomorrow morning at 11 o'clock. I would therefore ask permission to revert to motions, and I would move that when this house adjourns this day it stand adjourned until tomorrow morning at 11 o'clock.

The motion was agreed to.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Friday, April 12, 1957

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

Routine proceedings.

BUSINESS OF THE SENATE

Hon. W. Ross Macdonald: Honourable senators, when we adjourned last evening we were hopeful that the interim supply bill would be before us this morning. However, for some reason or other the debate on the bill in the other house has been more protracted than usual. Consequently, we have no business to proceed with at the present time. I am hopeful that the bill will reach us later this morning or early this afternoon.

Hon. Mr. MacKinnon: Or late tonight?

Hon. Mr. Macdonald: Perhaps it will be late tonight.

In the circumstances, I would suggest that the house rise now, to reassemble at the call of the bell.

The Senate adjourned during pleasure.

At 3.40 p.m. the sitting was resumed.

CANADA-NETHERLANDS INCOME TAX AGREEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 413, an Act to implement an agreement between Canada and the Netherlands for the avoidance of double taxation with respect to income tax.

The bill was read the first time.

SECOND READING

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

Hon. W. Ross Macdonald: Honourable senators, I move the second reading now.

The purpose of this bill is to give legal effect in Canada to an agreement between the Government of Canada and the Government of the Netherlands for the avoidance of double taxation and the establishment of rules for reciprocal fiscal arrangements in the matter of income tax. The agreement was signed at Ottawa on the 2nd of April, 1957. Honourable senators are familiar with bills of this type.

The Acting Leader of the Opposition (Hon. Mr. Marcotte), who has been a member of this house over a long period, will recall that we have passed bills to give legal effect to agreements for the avoidance of double taxation regarding income tax with the following countries: In 1943, with the United States; in 1946, with the United Kingdom; in 1948, with New Zealand; in 1951, with Sweden and France; in 1955, with Ireland; in 1956, with Denmark and West Germany.

A bill passed by the House of Commons approving a similar agreement entered into between Canada and the Union of South Africa will be coming over to us this afternoon, so the remarks I make now can be applied, generally speaking, to that bill also.

The agreement is designed to avoid double taxation, and it provides for exchange of information. By means of the exchange of reciprocal tax credits the country of residence gives credit for the tax in the country in which the actual tax had its source.

Also, under this agreement, as under the others which have been entered into by the Government and approved by this house on previous occasions, taxation by a state on trade profits of an enterprise in the other state is limited to those profits attributable to the permanent establishment of such enterprise in the first-mentioned state. In addition, certain specific provisions are made regarding the profits from the operation of ships and aircraft, and the exemption from taxation on the exchange of teachers and students.

The taxes to which the agreement refers will be found in Article I of the agreement or convention, which is a schedule to the bill. In Canada these are income taxes, including surtaxes, imposed by the federal Government. Naturally an agreement between the federal Government of Canada and the Government of a foreign country can have no effect on provincial income tax laws of this dominion nor on provincial or state laws of the other country. In the Netherlands the taxes subject to this convention are income tax, wages tax, company tax, dividends tax, and the tax on fees of directors.

In this agreement provision is made for taxation upon companies doing business in both countries.

As regards individuals, the agreement deals with the limits upon the withholding tax on dividends paid by a company in one country to residents in another country. It follows the existing practice under similar agreements between Canada and other countries: if a Canadian company pays dividends to residents of the Netherlands, the withholding tax which Canada can exact from the dividends is limited to 15 per cent, and *vice versa*.

Hon. Mr. Lambert: That is the way it is now?

Hon. Mr. Macdonald: That is the way it is now in Canada. Under this agreement that same provision will apply to dividends paid by companies in the Netherlands to Canadian residents.

There is also a provision in favour of students from one country taking training in the other country. So long as they are training in a university or school in the other country they are not subject to tax in that country in respect of payments they receive from their own home country. A professor or teacher who comes from the Netherlands to Canada for a limited period of not more than two years for the purpose of teaching in a Canadian university or school is not subject to taxation in Canada on income which he receives from teaching in Canada during that time.

Hon. Mr. Davies: Is there any limit on the amount of money which a Canadian can receive in the Netherlands without having to pay tax on it?

Hon. Mr. Macdonald: Under this agreement, there is no limit to the amount he can receive in the Netherlands, but the Netherlands can withhold only 15 per cent of that income.

Honourable senators, there are the other usual provisions, including one whereby a resident of Canada who receives an annuity or a pension from a source in the Netherlands is not subject to a tax on that annuity or pension in the Netherlands. There is a reciprocal arrangement so far as Canada is concerned.

Honourable senators will realize that this is relieving legislation. It relieves Canadians from double taxation on income derived from the Netherlands, and likewise it relieves people in the Netherlands from double taxation on income derived from Canada.

Hon. Mr. Lambert: Does this convention have any corporate application? I mean, is there any reciprocal arrangement between the two countries relating to taxation of corporation income?

Hon. Mr. Macdonald: Yes, it has an effect on corporations with respect to their principal place of business. For instance, if their principal establishment is in Canada and they are just incidentally doing business in the Netherlands, then the taxation would be only on the business that arises in the Netherlands.

Hon. Mr. Lambert: I was thinking of the possibility of Dutch business establishments in this country being free from taxation, on

the one hand, and, on the other hand, Canadian companies established in Holland receiving a similar concession from that country. It would seem likely that at present the number of foreign companies maintaining a branch or agency in Canada is much larger than the number of Canadian companies with an establishment abroad. The interesting point to me is where the check-off comes. Is this to be a sort of a deal popularly known as "one horse, one rabbit" or is it really reciprocal?

Hon. Mr. Macdonald: It is reciprocal.

Honourable senators, I think that explains the bill. If honourable senators are interested in any specific matters which I have not mentioned, I shall be glad to answer questions. I feel that I should be in a position to do so, because, as already stated, eight similar agreements have been dealt with in this house since 1943.

Hon. John J. Connolly: Honourable senators, may I say a word or two on the point raised by the senior senator from Ottawa (Hon. Mr. Lambert) in connection with company taxes?

Article III of the convention, which is a schedule to the bill, gives a good idea of the way in which corporation tax is to be applied to an asset in the two states, Canada and the Netherlands. This article refers particularly to immovable property, or real estate. It says, in effect, that the income received from real estate is normally taxable in the country in which the real estate is located. When a company has an established operation in one of these countries, the normal thing would be for the company to pay tax on the income attributable to that establishment in that country. In other words, if a Canadian company has an establishment here and is doing business here it will be paying its tax on its Canadian income. If it has, let us say, a subsidiary in the Netherlands, then the income attributable to the work of that subsidiary in the Netherlands would be taxed in the Netherlands, that being the place where it is located.

Perhaps where the convention really helps is this: in the event that the Canadian subsidiary located in the Netherlands has dividends which normally it will pay to its shareholders—and in this case the shareholder would be the Canadian company located in Canada—if all the shares of that subsidiary, or more than 50 per cent of its shares, are owned by the Canadian company, then the dividends may be paid out to the Canadian shareholder, which is the Canadian company, and no withholding tax shall be withheld.

Let me take another example. A group of Canadians own a company that does business in the Netherlands. That company, because it has a principal establishment operating in the Netherlands, will not only be subject to corporation tax in that country, but when the company accumulates money from profits and decides to pay dividends to its several Canadian shareholders, those dividends, when paid to the Canadian shareholders, will be subject to the 15 per cent withholding tax.

Hon. Mr. Macdonald: May I reply to the question asked by the honourable senior senator from Ottawa (Hon. Mr. Lambert)? I think Article IV has a direct bearing on the question. The first part of that article reads:

The profits of an enterprise of one of the states shall not be subject to tax in the other state unless the enterprise is engaged in trade or business in that other state through a permanent establishment situated therein.

Hon. Mr. Lambert: I suppose the explanation is that when foreign capital comes into Canada and establishes an industrial plant here, it becomes a Canadian plant. That is the point.

Hon. Mr. Macdonald: That is the point.

Hon. Mr. Lambert: If a Canadian company has a branch in Holland, are there reciprocal arrangements between the two countries which will enable the branch to exempt itself from taxation in any way? I have in mind a certain Canadian oil corporation which does business in Belgium—honourable senators know the company to which I refer—and I presume it also has branches elsewhere, especially in Europe. Would this convention in any way exempt such a corporation in Canada from taxation on income in a foreign country? That is the point I should like to get clear in my mind.

Hon. Mr. Macdonald: The article to which the junior senator from Ottawa referred, article VII, paragraph 3, deals with that point. The paragraph reads:

Notwithstanding the second paragraph of this article

That refers to the 15 per cent withholding tax.

none of the states shall levy a tax by way of deduction at the source on dividends paid by a company which is a resident of that state to a company which is a resident of the other state, provided that the latter company owns at least 50 per cent of the shares of the former company, which have under all circumstances full voting rights.

I think that answers my friend's question.

The third paragraph of article IV reads:

No portion of any profits arising to an enterprise of one of the states shall be attributed to a permanent establishment situated in the other

state by reason of the mere purchase of goods or merchandise within that other state by the enterprise.

Hon. Mr. Davies: May I ask the junior senator from Ottawa a question? He took as an example a Canadian corporation doing business in the Netherlands. Would a company in Canada which owned a subsidiary in the Netherlands be in the same position?

Hon. Mr. Connolly (Ottawa West): Honourable senators, the same thing has happened to me today as happened on the last day of the main session last year. I have been called several times "the junior senator from Ottawa". I am not the junior senator from Ottawa. Senator Bishop, a much younger man than I, is the junior senator from Ottawa. I am the senator from Ottawa West.

Now, in answer to the honourable gentleman from Kingston (Hon. Mr. Davies), I would say that the Leader of the Government (Hon. Mr. Macdonald) has pretty well covered the situation by referring the senior senator from Ottawa (Hon. Mr. Lambert) to article VII. However, perhaps I can do it again by way of example. The honourable senator from Kingston asked, if a group of Canadians own all the shares in a business in the Netherlands, what happens when they receive their dividends?

Hon. Mr. Davies: No. If a Canadian company started a subsidiary in the Netherlands, would the position be the same as if a group of individual Canadians bought a business in the Netherlands?

Hon. Mr. Connolly (Ottawa West): Well, I think we are talking about the same thing after all.

If a Canadian company established a subsidiary in the Netherlands, that subsidiary would be subject to the normal Netherlands corporation tax which would be incurred as a result of its doing business in the Netherlands. Then, when that subsidiary company located in the Netherlands declared a dividend, it would pay it to its only shareholder, its Canadian parent; but because more than 50 per cent of the shares in the subsidiary were owned by the Canadian parent there would be no withholding tax in the Netherlands. So, the single Canadian shareholder would get the dividend without any deduction.

The situation would be somewhat different if a number of Canadians went to the Netherlands and bought a business, which would mean dividing up the shares between them, or if they bought shares in a business there and simply owned the shares here in Canada. In that case, if no one of them individually owned 50 per cent of the shares of the Netherlands company, then when the dividends were

paid by the Netherlands company to its Canadian shareholders, the dividend would be subject to a withholding tax of 15 per cent in the Netherlands.

Hon. Mr. Bouffard: A maximum.

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Davies: Thank you.

Hon. Arthur Marcotte: Honourable senators, I do not know anything about this bill: had it not been for the kindness of a colleague I might not have had a copy, and I have not had time to read it. Therefore I depend on the good faith of the honourable Leader of the Government (Hon. Mr. Macdonald), who has told us that this is good legislation. I cannot say any more. My associates have left, and I did not receive notice that I would be the lone representative of the Opposition. So, as I have said, I am relying on the assurance of the Leader of the Government that this is good legislation. I shall support it.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: I thank the Acting Leader of the Opposition (Hon. Mr. Marcotte) for the confidence he has expressed in me. Speaking only for myself and for the Government, I will say we think that the bill is a good one. I suppose that my honourable friend also believes that it is sound legislation, because, if my memory serves me correctly, he supported similar bills previously when agreements which have been entered into with other countries were before us for approval.

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

THIRD READING

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

Hon. Mr. Macdonald: I move the third reading now.

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

CANADA-SOUTH AFRICA INCOME TAX AGREEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 414, an Act to implement an agreement between Canada and the Union of South Africa for the avoidance of double taxation with respect to income tax.

The bill was read the first time.

SECOND READING

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

Hon. W. Ross Macdonald: I move the second reading now.

Honourable senators, this bill, an Act to implement an agreement between Canada and the Union of South Africa for the avoidance of double taxation with respect to income tax, is similar to the bill which has just been passed by this house in respect to an agreement with the Netherlands.

The contents of this agreement are practically the same as those of the agreement with the Netherlands, except that there is no reference in this agreement to a 15 per cent withholding tax. Our Income Tax Act provides for a 15 per cent withholding tax on dividends payable to persons living outside this country, but there is no withholding tax provided for in Union of South Africa legislation. It was impossible to work out a satisfactory mutual agreement with the Union of South Africa in this respect, but I would point out that we are in no worse position than before. As a matter of fact, we are still in an advantageous position in that at the present time there is no withholding tax in the Union of South Africa.

Honourable senators, I think I can safely say that in every other respect this bill is practically the same as that just passed by the house.

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

THIRD READING

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

Hon. Mr. Macdonald: I move the third reading now.

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

CANADA-SOUTH AFRICA DEATH DUTIES AGREEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 415, an Act to implement an agreement between Canada and the Union of South Africa for the avoidance of double taxation with respect to death duties.

The bill was read the first time.

SECOND READING

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

Hon. W. Ross Macdonald: I move the second reading now.

Honourable senators, this bill is similar to the two pieces of legislation which we have just passed. I would point out, however,

that the two bills just passed relate to the avoidance of double taxation with respect to income tax, whereas the bill now before us relates to the avoidance of double taxation with respect to death duties, commonly known in this country as succession duties.

This type of legislation is not new to the Senate, for we have passed four similar bills which are now on the statute book. They gave legal effect to agreements with the following countries: the United States, in 1943; the United Kingdom, in 1946; France, in 1952; and Ireland, in 1955.

The purpose of this bill is to ratify an agreement entered into between the Government of the Union of South Africa on September 28, 1956. The agreement provides that if succession duties are charged in the one country in connection with the estate of a person who was domiciled in the other, the amount of the duties so charged will be credited by the country of domicile against the duties payable to it.

Honourable senators, I do not think I can explain the bill more clearly.

Hon. Mr. Davies: May I ask if the wording is practically similar to that in the other agreements?

Hon. Mr. Macdonald: Practically the same as the wording of the others.

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

THIRD READING

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

Hon. Mr. Macdonald: I move the third reading now.

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

BUSINESS OF THE SENATE

Hon. Mr. Macdonald: Honourable senators, before I arrived in the chamber I heard some members of the House of Commons say that if that house does not finish its work by 6 o'clock this evening, it may continue to sit, without rising for the usual dinner hour between 6 and 8 o'clock. Whether it will do so, I of course cannot say. Honourable senators will realize that it is impossible for me to give any idea of when we shall receive the interim supply bill. In the circumstances, I suggest that we rise now, to reassemble at the call of the bell.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

PROROGATION OF PARLIAMENT

NOTICE

The Hon. the Speaker: Honourable senators, I have the honour to inform you that I have received the following message from the Secretary to the Governor General:

GOVERNMENT HOUSE
Ottawa

April 12, 1957.

Sir,
I have the honour to inform you that the Hon. Patrick Kerwin, in his capacity as Deputy Governor General, will proceed to the Senate Chamber at 9 p.m. today, the 12th April, 1957, for the purpose of proroguing the Fifth Session of the Twenty-Second Parliament.

I have the honour to be,

Sir,
Your obedient servant,
J. F. Delaute,
Secretary to the Governor General
(Administrative)

The Honourable,
The Speaker of the Senate,
Ottawa.

APPROPRIATION BILL NO. 4

FIRST READING

A message was received from the House of Commons with Bill 418, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending 31st March, 1958.

The bill was read the first time.

SECOND READING

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

Hon. Mr. Macdonald: I move the second reading now.

Honourable senators, this interim supply bill is intended to provide supply for six months. Appropriation Bill No. 3 recently passed by this house voted supply for one month. So, with the passage of the bill now before us we shall have interim supply for seven months, to the end of October next.

This bill provides one-half of all the items to be voted in the main estimates for the fiscal year 1957-58, in the amount of \$1,651,674,050; and additional proportions of 47 special items in the main estimates to provide for services of a seasonal nature and for which the heaviest payments fall due in the early part of the year. Honourable senators are aware that certain departments have their heaviest expenditures during the summer months; this bill makes provision for such expenditures. The amount being voted under the bill for these special items is \$14,019,648.01.

The bill also provides one-half of all the items to be voted in the supplementary estimates for the fiscal year 1957-58, in the

amount of \$9,635,679.50. Honourable senators recall that on April 1 this year we passed an interim supply bill providing one-twelfth of the total amount of the supplementary estimates, so with the passage of this bill we shall have provided supply to the extent of seven-twelfths of the supplementary estimates. That will take us up till the end of October.

There is also an amount to cover additional proportions of four special items in the supplementary estimates to provide for services of a seasonal nature. The reason for this is, as I said in connection with the main estimates, that certain departments have heavier expenditures during the summer than later on in the year. This amount is \$224,500.01.

Provision is also made in this bill for various proportions of the items to be voted in the further supplementary estimates to provide for payments which are expected to fall due during the first seven months of the year, that is, two-sevenths for family allowances which become effective September 1; four-ninths for pensions and related items, namely veterans' pensions, war veterans' allowances, etc., and two-thirds for payments under the Maritime Freight Rates Act. The amount for these items in the bill is \$38,555,555.56. The total of the various amounts I have mentioned is \$1,714,109,433.08.

In addition, the bill would authorize the Governor in Council to borrow during 1957-58 a sum not in excess of \$1 billion, by the issue and sale of securities, such as treasury bills, Canada Savings Bonds and other bonds. Authority to raise money by such means is given in supply bills every year. From 1952-53 through 1954-55 authority to borrow up to \$500 million was granted annually. In 1955-56 the limit was raised to \$1 billion, and in 1956-57 it was raised to \$1.5 billion. The increase over the past few years results mainly from increased sales of Canada Savings Bonds. The amount of \$1 billion requested in this bill is required to meet the issue of Canada Savings Bonds prior to October 1, 1957, and other normal operations. Honourable senators may be interested to know that the Canada Savings Bonds issued in 1956 totalled approximately \$800 million.

The amount being voted by this bill—the general proportion of one-half of all items plus the additional proportions for certain special items—is intended to provide all necessary requirements of the public service during the period from the end of this month to the end of October, that is, from May to October inclusive. April requirements, as I have already mentioned, were provided for

in the bill which was assented to on April 1. In no instance is the total amount of any item being released.

I can assure honourable senators that the form of the bill is the same as that of similar bills passed in previous years. The passing of this bill will not prejudice the rights and privileges of members to criticize any item in the estimates when they come up for consideration in this house. The usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this bill.

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

THIRD READING

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

Hon. Mr. Macdonald: I move the third reading now.

Hon. Mr. Isnor: I should like to ask the honourable Leader of the Government (Hon. Mr. Macdonald) whether, if this bill is passed, Parliament will reassemble before further moneys can be voted.

Hon. Mr. Macdonald: By the passing of this bill sufficient moneys will have been provided, according to the estimates which have been filed, to carry on the government until the end of October.

Hon. Mr. Isnor: Does that mean that Parliament will reassemble in October, before further moneys need to be granted?

Hon. Mr. Macdonald: At the moment I would not presume to speak for the Government after June 10.

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

APPROPRIATION BILL No. 5

FIRST READING

A message was received from the House of Commons with Bill 419, an Act for granting to Her Majesty certain sums of money for the public service of the financial year ending 31st March, 1958.

The bill was read the first time.

SECOND READING

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

Hon. W. Ross Macdonald: I move the second reading now.

Honourable senators, the estimates of the Post Office Department have been passed by the House of Commons. This bill will

provide, in respect of those estimates, the difference between the amounts set out in the main and supplementary estimates and the amounts already provided for those items in the interim supply bills passed to date, that difference being \$63,057,096.18. For no other item is full supply being requested. Therefore, in reply to a question asked by the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor), may I say that the passage of this bill will provide the Post Office Department with sufficient moneys, according to the estimates filed, to carry on its work to the end of the present fiscal year.

Hon. Mr. Davies: I should like to ask the Leader of the Government in the Senate (Hon. Mr. Macdonald) whether these estimates for the Post Office Department, which we are about to pass take into consideration the restoration of two deliveries a day in the cities of Canada?

Hon. Mr. Macdonald: No provision for restoration of two deliveries a day is made in these estimates.

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

THIRD READING

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

Hon. Mr. Macdonald: I move the third reading of the bill now.

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

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Macdonald: Honourable senators, His Honour the Speaker has read a message from the Secretary to the Governor General informing us that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to this chamber at 9 o'clock this evening for the purpose of giving Royal Assent to certain bills. Before moving that we rise to the call of the bell, at approximately 8.45, may I take this opportunity of thanking all honourable senators for the help, encouragement and co-operation which they have given me during this session. It has been a very pleasant session. In fact, I must say that I have liked the work ever since I became a member of this house. I have certainly enjoyed my association with all honourable senators.

I wish especially to thank the chairmen of the various committees for their faithfulness to the duties that they assumed. The committee work was carried on at all times diligently, thoroughly and expeditiously.

I also wish to thank the Leader of the Opposition (Hon. Mr. Haig), and would ask the Acting Leader of the Opposition (Hon. Mr. Marcotte) to pass on to him my appreciation of the co-operation I have received from him. We have not always agreed, but we have always worked together in the interests of the Senate.

May I take this opportunity of addressing a few words to Mr. Speaker? If this is the end of the Parliament, and if he is not back with us as Speaker for another session, I would like him to know how deeply we have appreciated the manner in which he has presided over the sittings of this house.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: We regret that for a time this session illness prevented him from being here, and we hope that he is now restored to his former excellent good health. We shall look forward to seeing him among us when the next Parliament convenes.

Honourable senators, we shall soon be retiring to our homes. We shall not leave here with as much anxiety as the members of the other place, but I am sure we shall look forward to the coming months with just as keen interest as they will. Although some of them may not be present when the next Parliament is convened, but I hope all members of this house will be back here at that time.

Hon. Senators: Hear, hear.

Hon. Cyrille Vaillancourt: Will you permit me, Mr. Leader, on behalf of my colleagues, to thank you for your friendly and constant co-operation in the carrying out of our duties, and for the way in which you have distributed the work of the Senate among the members? The wide distribution of the work enables us to appreciate our duties far more than we otherwise could, and to render to our country the best service of which we are capable. I hope, Mr. Leader, that you will be with us at the next session.

I would like to present my sincere respects to our Speaker. I express to you, sir, our best wishes for your good health in the future. We hope you too will be with us next session, even if not as Speaker. To all my colleagues I extend good wishes. If you have not found the Deputy Leader of the Government very efficient this session, I think that in time he will do better, and in the meantime you can count on his co-operation.

Bonjour! Au revoir! A la prochaine session! God bless you!

Hon. Senators: Hear, hear.

Hon. Arthur Marcotte: Honourable senators, will you permit me to say a few words?

I have always been a supporter of the honourable senator opposite (Hon. Mr. Macdonald). I have confidence in him.

My friends left me with no notes of any kind, so I am quite free to express my own sentiments. I appreciate the good co-operation in this house. As honourable senators know, at all times I have been willing to co-operate with them in the work of the Senate. I respect the Senate as a body, and I love and admire each and every one of its members. It is always a pleasure when my health permits me to attend its sittings. Until I die I will always maintain a spirit of confidence in my fellow senators, and be ready to co-operate with them. I know that the Senate will continue to serve the people of Canada faithfully and well, thus fulfilling the purpose for which it was created. Legislation will always be considered thoughtfully in this house, in a spirit not of criticism, but of co-operation, which is as it should be.

Honourable senators, if my honourable leader (Hon. Mr. Haig) were here he would express my sentiments much better than I can. However, it is my privilege to say how much I appreciate my associations in the Senate, and I repeat once more my sincere wish to co-operate in the furtherance of the work of this house.

Hon. Senators: Hear, hear.

Hon. Austin C. Taylor: Honourable senators, if I am not able to express my sentiments as clearly as I should, I trust honourable senators will appreciate the sincerity with which I speak.

I have been greatly honoured by an appointment to this august body. It was my desire when I came here, and it always will be, to serve the people of Canada as best I can with what ability I may have. I must admit that I received my summons to the Senate with a certain amount of fear and trembling, for while I had some experience in legislative matters I knew very little about this chamber and how its work was conducted. Indeed, I knew very few honourable members of this house.

On the day I arrived at the Parliament Buildings I went to the office of the Clerk of the Senate, and immediately I met Mr. MacNeill I realized that we were old friends. He and I had lived in the same area for a period of about 15 years. I trust he will forgive me for the reference I am about to make to his family. I knew Mr. MacNeill well, but I knew his father, the Reverend Dr. N. A. MacNeill, perhaps better. He was pastor of my church for 15 years and had extended to me the right hand of fellowship there. He was one of the ablest speakers I have ever listened to; and he loved to sing and was a very accomplished singer.

So, as I say, when I came to Ottawa I found in Mr. MacNeill an old friend. I should like to express to him my sincere thanks for making me feel at once that I was among friends. And I am grateful to him and all the officers of this house for the co-operation and assistance they have shown me.

I believe that a friend is the greatest asset a human being can have, and that for every friend I make my life becomes that much richer and fuller. I should like all honourable senators to know that in me they have gained a friend, and I feel I have gained many friends among them. No doubt during my first session as a senator I have made many mistakes. I hope honourable senators will attribute my mistakes to my zeal and desire to serve the Canadian people, and forgive me for them.

May I express appreciation especially to my honourable leader (Hon. Mr. Macdonald) for his thoughtfulness and friendship. He was the second man I met when I came here, and he also immediately made me feel at home and with friends. On the day that I was sworn in His Honour the Speaker of this house, in a few words and a kindly smile, gave me further assurance that I was among friends. Now I want you all to know that I appreciate more deeply than I can express in words the friendship, the co-operation and the tolerance that all members have shown toward me during this session. May I join with the Leader of the Government (Hon. Mr. Macdonald), the Deputy Leader (Hon. Mr. Vaillancourt), and the Acting Leader of the Opposition (Hon. Mr. Marcotte), in expressing to Your Honour and all honourable senators my best wishes and the hope that next session we shall all be back together working in the interest of the finest people on earth, the Canadian people.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: Honourable senators, I would suggest that we adjourn now until the call of the bell, at approximately ten minutes to nine.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Patrick Kerwin, the Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of Joseph Adelard Gerard Leclaire.

- An Act for the relief of Jeanne D'Arc Ouellette Martin.
- An Act for the relief of Mary Boldovitch Mogil, otherwise known as Mary Boldovitch Mogilesky.
- An Act for the relief of Doris Irwin Phillips.
- An Act for the relief of Kathleen O'Malley Romandini.
- An Act for the relief of Lillian Yochalas Ostroff.
- An Act for the relief of Gladys Catherine McCluskey MacFarlane.
- An Act for the relief of Mary Kathleen Pineault Miller.
- An Act for the relief of Terez Lazar Jankovicz.
- An Act for the relief of Winona Beryl Buzan Maynard.
- An Act for the relief of Rose Marie Hops Zinman.
- An Act for the relief of Doris Velma Gardner Briggs.
- An Act for the relief of Pinck Kempinski.
- An Act for the relief of Margaret Lukis Lambert.
- An Act for the relief of June Angela Duyvewaardt Corse-Scott.
- An Act for the relief of Frank Maun James.
- An Act for the relief of Doris Louise Richardson Turner.
- An Act for the relief of Jacques Piche.
- An Act for the relief of Ruby Ivy Jewell Daniel.
- An Act for the relief of Clara Soloway Rudy Szant.
- An Act for the relief of Jean Houde.
- An Act for the relief of Gisele Comtois Brodeur.
- An Act for the relief of Mitzi Aronovitch Bezonsky.
- An Act for the relief of Miriam Brodish Silverman.
- An Act for the relief of Paule Chaput Mongeau.
- An Act for the relief of George William Ellis.
- An Act for the relief of Joseph Gagne.
- An Act for the relief of Lois Altena Robertson Meade.
- An Act for the relief of Ethelynn Joan Ratcliff Gauvreau.
- An Act for the relief of Mary Flatman Tardif.
- An Act for the relief of Romeo Cadieux.
- An Act for the relief of Albert George Mugford.
- An Act for the relief of Andree Duquette Mathieu.
- An Act for the relief of Hans Leth.
- An Act for the relief of Roland Leclair.
- An Act for the relief of Mary Shirley Mortimer Hogan.
- An Act for the relief of Magda Kadar Niederhoffer.
- An Act for the relief of Edith Joyce Hawkes Balogh.
- An Act for the relief of Dieter Heinrich Karl Hellmann.
- An Act for the relief of Marion Donnithorne McAlear.
- An Act for the relief of Noella Lauzon Dinelle.
- An Act for the relief of Gloria Helen King Fletcher.
- An Act for the relief of Ronald Edward Parker.
- An Act for the relief of Elizabeth Maidie Davies Jones.
- An Act for the relief of Irene Grace Weir Robertson.
- An Act for the relief of Pauline Margaret Patricia Sylvester McLean.
- An Act for the relief of Margaret Chapman Ramsay.
- An Act for the relief of Victoire Bergeron Rougeau.
- An Act for the relief of Paul Emile Doucet.
- An Act for the relief of Andre Michel Allard.
- An Act for the relief of Tekla Stefura Lawrentowycz, otherwise known as Tillie Stefura Lorentowich.
- An Act for the relief of Joseph Fernand Gerard Mallette.
- An Act for the relief of Mary Helen Joyce Lamberg Elfstrom.
- An Act for the relief of Joan Gertrude Mitchell Sams.
- An Act for the relief of Eileen Madeleine Conroy Wettlaufer Sobie.
- An Act for the relief of Esther Kahn Colomay.
- An Act for the relief of Doris Jean Lussier Strike.
- An Act for the relief of Mary Freeman Kurtaz, otherwise known as Mary Freeman Curtis.
- An Act for the relief of Gilbert Jacques Lafontaine.
- An Act for the relief of Shirley Chernofsky Rynd.
- An Act for the relief of Roy Porter.
- An Act for the relief of Miloslawa Zaleska Boski.
- An Act for the relief of Marie Marcelle Therese Dagenais Chesnel.
- An Act for the relief of Marie Louise Armand Josephine Wouters Haire.
- An Act for the relief of Robert Carruthers Burnside.
- An Act for the relief of Leon Gass Estabrooks.
- An Act for the relief of Irene Myra Cohen Auerback.
- An Act for the relief of Brenda Iris Gibson Dunbrack.
- An Act for the relief of Geraldine Lenore Dowd Costigan.
- An Act for the relief of Eugenia Lontos Anderson.
- An Act for the relief of Molly Leibovitch Beane.
- An Act for the relief of Doris Katz Moscovitch.
- An Act for the relief of Jean Denis.
- An Act for the relief of Grayce Marion Mack Campbell.
- An Act for the relief of Genowefa Tkaczyk Janeczek.
- An Act for the relief of Marion Stewart Whitehouse McCormick.
- An Act for the relief of Shirley Jean Weir Villeneuve.
- An Act for the relief of Herbert Marshall Connell.
- An Act for the relief of Earl Morrison.
- An Act for the relief of Joseph Roger Fernand Masse.
- An Act for the relief of Anita Bernice Rosnick Joseph.
- An Act for the relief of Harry Nutbrown.
- An Act for the relief of Jack Stevenson Chalmers.
- An Act for the relief of Jeanette Goldman Baskin.
- An Act for the relief of Henry John Bushby.
- An Act for the relief of Yvette Roby Pinard, otherwise known as Yvette Roby Beauchemin.
- An Act for the relief of Marion Augusta Butler Thomas.
- An Act for the relief of Frederick William Cummings.
- An Act for the relief of Lucy Lavinia Munford Macdonald.
- An Act for the relief of Dorothy Eileen Worsdell Cantlie.
- An Act for the relief of Aurora Josephine Moretti Guimond.
- An Act for the relief of Samuel Goulding.
- An Act for the relief of Elizabeth Harris Bobula.
- An Act for the relief of Cairlan Lawrence Earle Gagnon.
- An Act for the relief of Julio Donato Cianci.
- An Act for the relief of Mimi Frances Aberback Sherback.
- An Act for the relief of Alphonsine Alain Lachance.
- An Act for the relief of Mary Patricia Pierrette Brisebois McGuire.
- An Act for the relief of Marjorie Alice Ridout Collett-White.
- An Act for the relief of Mary Elizabeth Catherine Russell Morgan.
- An Act for the relief of Anne Glassberg Craft.
- An Act for the relief of Joseph Napoleon Hyacinthe Romeo Cote.
- An Act for the relief of Agathe Rose Alma Bisson Taillefer.

- An Act for the relief of Nick John Oncescu.
 An Act for the relief of Richard Supple.
 An Act for the relief of Joan Dorothy Beaver Mavor.
 An Act for the relief of Barbara Bennett Roach.
 An Act for the relief of William George Walker.
 An Act for the relief of Mary Ghetler Feldman.
 An Act for the relief of Joseph Bernard Guy Locas.
 An Act for the relief of Andreas Erdelyi.
 An Act for the relief of Theresa Alice Cain Martin.
 An Act for the relief of Millicent Felicite Dawson Stairs.
 An Act for the relief of Philippa Hazel Martin Foster Hill.
 An Act for the relief of Pauline Verdoni Di Fruscia.
 An Act for the relief of Lawrence Robson Moore.
 An Act for the relief of Jadwiga Uzar Ziomko, otherwise known as Hedwig Uzar Ziomko.
 An Act for the relief of Eleonor Butkiewiczute Springeliene Springelis.
 An Act for the relief of Harry Edward Beard.
 An Act for the relief of Shirley Ann Doris Hobbs Cleary.
 An Act for the relief of Charles Richard Allen.
 An Act for the relief of Eveline Dora Giroux Gunhouse.
 An Act for the relief of Mary Weiner Brown.
 An Act for the relief of Simone Habel Tanguay.
 An Act for the relief of Jacques Petel.
 An Act for the relief of Wilfrid Lanouette.
 An Act for the relief of Fanny Faye Fox Cohen.
 An Act for the relief of Ronald Pike.
 An Act for the relief of Micheline Bourdon Russell.
 An Act for the relief of Rose Marie Bremner Middleton.
 An Act for the relief of Donald Ruth MacCrimmon Belak.
 An Act for the relief of Joseph Laureat Pierre Valois.
 An Act for the relief of Mary Patricia Happy Sullivan.
 An Act for the relief of Frances Ellison Schnebley Pattee.
 An Act for the relief of Sylvia Rapp Snider.
 An Act for the relief of Barbara Fay Howard Goulet.
 An Act for the relief of Bernice Clyde Brown.
 An Act for the relief of Harry Payne Ward.
 An Act for the relief of Roman Krastins.
 An Act for the relief of Sam Essner.
 An Act for the relief of Georges Henri Durocher.
 An Act for the relief of Pauline Jarowj Krymlak.
 An Act for the relief of Florence Rhoda Cohen Denbow.
 An Act respecting the Territorial Lands Act.
 An Act to amend the Currency, Mint and Exchange Fund Act.
 An Act to incorporate the Windsor Harbour Commissioners.
 An Act to amend the Eastern Rocky Mountain Forest Conservation Act.
 An Act respecting Progressive Insurance Company of Canada.
 An Act respecting the Baptist Convention of Ontario and Quebec.
 An Act for the regulation and control of agricultural fertilizers.
 An Act to amend the Exchequer Court Act.
 An Act to amend the Prairie Grain Producers Interim Financing Act, 1956.
 An Act to amend the Royal Canadian Mounted Police Act.
 An Act to amend the Prisons and Reformatories Act.
 An Act to amend the Prairie Farm Assistance Act.
 An Act to amend the Excise Tax Act.
 An Act to amend the Income Tax Act.
 An Act to amend the Customs Tariff.
- An Act to amend the Excise Act.
 An Act to amend the Dominion Succession Duty Act.
 An Act to implement the Interim Convention on Conservation of North Pacific Fur Seals.
 An Act to amend the Judges Act.
 An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System during the calendar year 1957, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.
 An Act to authorize contributions by Canada in respect of programs administered by the provinces, providing hospital insurance and laboratory and other services in aid of diagnosis.
 An Act to amend the Agricultural Products Marketing Act.
 An Act to amend the United Kingdom Financial Agreement Act, 1946.
 An Act to implement an agreement between Canada and the Netherlands for the avoidance of double taxation with respect to income tax.
 An Act to implement an agreement between Canada and the Union of South Africa for the avoidance of double taxation with respect to income tax.
 An Act to implement an agreement between Canada and the Union of South Africa for the avoidance of double taxation with respect to death duties.

Hon. L. René Beaudoin, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:
 May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958.

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958.

To which bills I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bills.

PROROGATION

SPEECH FROM THE THRONE

The Honourable the Deputy of the Governor General was pleased to close the Fifth Session of the Twenty-second Parliament with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The unstable situation in the Middle East has continued to give concern to Canadians throughout the session which I now bring to a close.

My Government has sought both inside and outside the United Nations to play a constructive part with a view to reducing the risk of renewed hostilities between Israel

and Egypt; to facilitating the early clearance and reopening of the Suez Canal, which is so important to the waterborne commerce of our friends in Europe and Asia; and, through Canada's participation in the United Nations Emergency Force, to establishing conditions conducive to a long-term solution of the political problems of that area.

In March, discussions were held between my Prime Minister and the Prime Minister of the United Kingdom at Bermuda which dealt with a wide range of matters of international concern and in particular with questions of primary interest to Canada and the United Kingdom. The possibility of a meeting of Commonwealth Prime Ministers early this summer was also discussed.

The emergence of the former colony of the Gold Coast into full Commonwealth membership as the independent state of Ghana was welcomed by all Canadians as a further confirmation of the value and the adaptability of our free association of sovereign states linked by common interests and common loyalties. One of my ministers represented Canada at the inaugural ceremonies.

During the present session useful discussions were also held with the Prime Minister of France, who addressed a special joint meeting of both Houses of Parliament.

The brutal suppression of the Hungarian people by the armed forces of the Soviet Union served to emphasize the continued need for the greatest possible degree of unanimity of purpose among the nations of the free world and the importance of maintaining an adequate system of collective defence.

My ministers continue to believe that our position in the Commonwealth and firm support of the United Nations and the North Atlantic Treaty Organization are essential contributions to the advancement of our aim of preserving peace and promoting prosperity throughout the world.

In the course of the present session you have approved important items of legislation of lasting benefit to the Canadian people.

You have authorized the Government to enter into agreements with the provinces for the establishment of a nation-wide system of insurance programs for hospital care and diagnostic services. This legislation constitutes an important step forward in helping to improve the standard of health for the Canadian population and in relieving individual citizens from the worrisome burdens of large hospital bills.

You have approved legislation for the establishment of a Canada Council for the Encouragement of the Arts, Humanities and Social Sciences. Undoubtedly, both the fund for scholarships and grants and the fund

for assistance to universities for capital expansion projects will accelerate the cultural and intellectual growth of the nation.

To the same end the annual federal grants for universities have been doubled.

Provision has been made to assist the transportation to Canada of Hungarian refugees. Special arrangements have also been made for the movement of large numbers of British, French and other immigrants to this country.

Canada's development is proceeding at such a pace that it continues to place a strain on our human, material and financial resources. In order to hold inflationary tendencies in check, my ministers have urged that governments and private enterprise exercise restraint in their expansion projects.

A special committee of the Senate has begun a comprehensive investigation of the use of our land resources to contribute more effectively to the improvement of agricultural production and the incomes of those engaged in it.

The Report of the Royal Commission on Economic Prospects has been laid before you. In accordance with its recommendation that special consideration be given to assisting the economies of the Atlantic Provinces, the Government has announced its intention of undertaking a detailed examination of transportation conditions in that area. In the meantime, increases in the payments under the Maritimes Freight Rates Act have been authorized. An offer has been made to construct interconnection facilities between the electricity systems of the provinces of Nova Scotia and New Brunswick and to build and operate large thermo-electric plants in the Atlantic area to meet at the lowest possible cost the power requirements of growth and industrial development in that region. The recent adjustment in the tariff on potatoes should also have a favourable influence on its economy and on the economy of other farming areas.

A Royal Commission has been established to review the financial position of the province of Newfoundland in accordance with the Terms of Union of that province with Canada.

The Report of the Royal Commission on Radio and Television Broadcasting has been completed and presented for your consideration.

In furtherance of the Government's policy to maintain a high standard of social welfare in this country, increases are being made in the scale of payments to veterans under the Pension Act and the War Veterans Allowance Act, as well as payments under the Family Allowances Act, the Old Age Security Act, the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act.

You have approved a measure authorizing the payment of the equivalent of full taxes on federal property in all municipalities where such property receives normal municipal services.

You have approved legislation authorizing the continuance of the Canadian Wheat Board as the sole marketing agency for western wheat, oats and barley. You have also enacted amendments to the Agricultural Products Marketing Act, the Prairie Grain Producers Interim Financing Act and the Prairie Farm Assistance Act, as well as a measure extending the scope and provisions of the Canadian Farm Loan Act.

Other measures enacted during this session included the Pacific Salmon Fisheries Convention Act, the Pacific Fur Seals Convention Act, the Windsor Harbour Commissioners Act, the Fertilizers Act, and amendments to the Export and Import Permits Act, the Territorial Lands Act, the

Canada Shipping Act, the Currency, Mint and Exchange Fund Act, the Export Credits Insurance Act, the Judges Act, the Exchequer Court Act, the Quebec Savings Banks Act, the Merchant Seamen Compensation Act, the Eastern Rocky Mountain Forest Conservation Act, the Royal Canadian Mounted Police Act, and the Prisons and Reformatories Act.

Members of the House of Commons:

I thank you for making provision for the public service during the period required for the holding of a general election and the assembling of a new Parliament.

Honourable Members of the Senate:

Members of the House of Commons:

Let me give expression to our humble gratitude for the great blessing which Divine Providence has bestowed upon us and upon our beloved country. May He continue to guide us as we work together to maintain and secure the peace, prosperity and well-being we now enjoy.

Later this day the Twenty-Second Parliament was dissolved by Proclamation of His Excellency the Governor General.

INDEX

DEBATES OF THE SENATE

FIFTH SESSION, TWENTY-SECOND PARLIAMENT, 1957

Abbreviations

1r, 2r, 3r, =	First, second, third reading
Amdts	= Amendments
Com	= Committee
Div	= Division
M	= Motion
Ref	= Referred
Rep	= Report
r.a.	= Royal Assent

Address in reply to Speech from the Throne at opening of session

Motion for, 20, adopted, 254

Speakers: Hon. Senators Bois (mover), 20-22; Smith (Kamloops) (seconder), 23-25; Barbour, 218-21; Cameron, 75-85; Connolly (Halifax North), 150-5; Davies, 52-58; Dessureault, 103-6; Gershaw, 63-66; Haig, 27-34; Horner, 157-63; Inman, 58-61; Leonard, 136-40; Macdonald, 37-43; McLean, 249-54; Pouliot, 167-74; Pratt, 133-6; Quinn; 100-2; Reid, 46-50

Message of thanks from Governor General, 368

See Speech from the Throne

Agricultural Products Marketing bill. 1r, 558; 2r, 558-66; 3r, 566; r.a., 578

Agriculture

Agricultural Products Marketing bill, 558-66, 578

Butter, increase in consumption, 21

Canadian Wheat Board bill, 156, 197-205, 225-38, 239, 258, 447

Committee proposed on improvement in production and income, 2

Dairy industry, importance of, 509

Margarine, 508

Colouring, 509

Quebec, sale of butter substitute, 508

Employment, decrease, 20

Exports, decrease since 1951, 20

Fertilizers bill, 419, 437-42, 443, 452-4, 578

Land use, special committee on, 2, 20, 22, 75, 88-99, 127, 443

Marketing legislation, 558-60, 562, 563, 564
Migration from farms to industry, 20, 131
Potatoes, imports from and exports to United States, 201, 510, 511, 512
Prairie Farm Assistance bill, 497, 503-5, 578
Prairie Grain Producers Interim Financing bill, 486-7, 578

Alaska-Yukon Pipelines Ltd. bill. 1r, 74; 2r, 106-8; ref to com, 108; rep of com, 145; amdt concurred in, 163; 3r, 164; r.a. 447

Alberta

Hospital insurance and diagnostic services—plan accepted, 547; estimates of costs and federal contributions, 548, 549, 550, 551

Medicine Hat, motor traffic, fatal accident record, 65

Mineral rights in land, 409

Oil wealth, 63-64, 285

Provincial dividend, 407-8

Soil conservation, 76

Sugar beet industry, 285

Tourist attractions, 285-6

Waterton National Park, 286

Alliance Nationale bill (Alliance Mutual Life Insurance Company). 1r, 156; 2r, 222-3; ref to com, 223; rep of com-3r, 269; r.a., 447

Appropriation bills

No. 1. 1r, 109; 2r, 109-22; 3r, 128-32; r.a., 144

Appropriation bills—Concluded

- No. 2. 1r, 404; 2r, 419-29; 3r, 431; r.a., 448
 No. 3. 1r, 449; 2r, 449-52; 3r, 452; r.a., 455
 No. 4. 1r, 573; 2r, 573-4; 3r, 574; r.a., 578
 No. 5. 1r, 574; 2r, 574-5; 3r, 575; r.a., 578

Aseltine, Hon. W. M., Deputy Leader of the Opposition in the Senate

- Appropriation bill No. 2, 428
 Canada Council bill, 241
 Canadian Farm Loan bill, 355, 356
 Canadian Wheat Board bill, 230-2
 Board, work commended, 231, 232
 Delay in issuing sales permits to estates, 232
 Wheat
 Agreements, British and International, 231
 Marketing, 231
 Shipments between British Columbian points, 203
 Surplus, 231
 Divorce
 Rules, amendments, 71, 72, 141-3, 207, 210
 Co-respondent, naming of, 141-3, 175, 207
 Evidence—proposal for taking of on examination for discovery and by commission, 143
 Fertilizers bill, 439, 440
 Penalties, 439
 Government Property Traffic bill, 345
 Municipal Grants bill, 407, 411
 Pacific Salmon Fisheries Convention bill, 375
 Suez Canal, loan to help finance clearing, 110, 112, 122

Athlone, Earl of, former Governor General of Canada—death of, tribute to his memory, 26**Atomic Energy Agency, International, Statute**
 Historical background, 478
 Resolution of approval, 478; agreed to, 482
 Statutory articles of most importance to Canada, 479, 480, 481**Australia, Olympic games, 47****Baird, Hon. A. B.**

- Canada Council bill, 301
 Exchequer Court bill, 333
 Excise Tax bill, 507, 508, 509
 Margarine, use in Newfoundland, 509
 Hospital Insurance and Diagnostic Services bill, 548, 554
 Newfoundland, 554
 Municipal Grants bill, 410, 411

Banking and Commerce Committee

- Appointment, 9; quorum, 26
 Reports, 87, 145-6, 239, 278, 349, 350, 358, 435

Bank of Canada, regulation of credit and currency, 252, 253**Baptist Convention of Ontario and Quebec bill.**
 1r, 418; 2r, 433-4; ref to com, 434; rep of com-3r, 435; refund of fees, 452; r.a., 578**Barbour, Hon. George H.**

- Address in reply to Speech from the Throne, 218-21
 Consumer price index, rise in, 219
 Economic Prospects, Royal Commission preliminary report, 219
 Prince Edward Island
 Commercial achievements, 221
 Freight rates, 219-20
 Population, 219, 220
 Potatoes, 220

Beaubien, Hon. Arthur L., Chief Government Whip

- Acting Speaker, 46, 51, 63, 109, 127, 145, 156, 258
 Canadian Pacific Railway Company and certain wholly-owned subsidiaries bill, report of committee, 87
 Mollet, His Excellency Guy, Prime Minister of France, visitor to Parliament, address to, 315
 Pères Oblats de l'Immaculée Conception bill, 330
 Standing Committees, report of Committee of Selection, 16
 Trans Mountain Oil Pipe Line Company bill, 87

Beaudoin, Hon. L. René, Speaker of the House of Commons

- Borden, Sir Robert, statue, speech at unveiling ceremony, 11
 Mollet, His Excellency Guy, Prime Minister of France, visitor to Parliament, address to, 315

Beaverbrook, Lord—Gifts to University of New Brunswick, 297**Bermuda conference, Prime Ministers of Canada and United Kingdom, 423****Bilingualism, extension advocated, 461****Bills, Annulment—See p. 611****Bills, Divorce—See pp. 612-17****Bills, Private**

- Alaska-Yukon Pipelines Ltd. 1r, 74; 2r, 106-8; ref to com, 108; rep of com, 145; amdt concurred in, 163; 3r, 164; r.a., 447

Bills, Private—Concluded

- Alliance Nationale. 1r, 156; 2r, 222-3; ref to com, 223; rep of com-3r, 269; r.a., 447
- Baptist Convention of Ontario and Quebec. 1r, 418; 2r, 433-4; ref to com, 434; rep of com-3r, 435; refund of fees, 452; r.a., 578
- Bishop of the Arctic. 1r, 294; 2r, 333; ref to com, 333; rep of com-3r, 358; r.a., 455
- British America Assurance Company. 1r, 294; 2r, 329; ref to com, 329; rep of com, 349-50; 3r, 350; r.a., 455
- Canadian Co-operative Credit Society Limited. 1r, 205; 2r, 255-6; ref to com, 256; rep of com-3r, 278; r.a., 447
- Canadian National Railways War Veterans' Association. Refund of fees, 19
- Canadian Pacific Railway Company and certain wholly-owned subsidiary companies. 1r, 51; 2r, 66-67; ref to com, 67; rep of com-3r, 87; r.a., 447
- Co-operative Life Insurance Company. Refund of fees, 294
- Equitable Fire Insurance Company of Canada. 1r, 294; 2r, 327-8; ref to com, 328; rep of com-3r, 358; r.a., 455
- Kings Mutual Insurance Company. 1r, 147; 2r, 221-2; ref to com, 222; rep of com-3r, 269; r.a., 447
- Life Underwriters Association of Canada. 1r, 46; 2r, 61-62; ref to com, 62; rep of com-3r, 87; r.a., 447
- North Waterloo Farmers Mutual Insurance Company. 1r, 269; 2r, 305-6; ref to com, 306; rep of com-3r, 350; r.a., 455
- Oblate Fathers of Assumption Province. 1r, 51; 2r, 85; ref to com, 85; rep of com-3r, 146; refund of fees, 258; Commons amdts concurred in, 278; r.a., 447
- Pères Oblats de l'Immaculée Conception. 1r, 258; 2r, 291-3; ref to com, 293; rep of com, 330; amdts concurred in, 357; 3r, 367; r.a., 455
- Progressive Insurance Company of Canada. 1r, 369; 2r, 416-17; ref to com, 417; rep of com-3r, 435; r.a., 578
- Salvation Army, Governing Councils. 1r, 197; 2r, 254-5; ref to com, 255; rep of com-3r, 269; r.a., 447
- Trans Mountain Oil Pipe Line Company. 1r, 46; 2r, 66; ref to com, 66; rep of com-3r, 87
- Western Assurance Company. 1r, 294; 2r, 328-9; ref to com, 329; rep of com-3r, 349; r.a., 455

Bills, Public

- Agricultural Products Marketing. 1r, 558; 2r, 558-66; 3r, 566; r.a., 578
- Appropriation No. 1. 1r, 109; 2r, 109-22; 3r, 128-32; r.a., 144
- Appropriation No. 2. 1r, 404; 2r, 419-29; 3r, 431; r.a., 448

Bills, Public—Continued

- Appropriation No. 3. 1r, 449; 2r, 449-52; 3r, 452; r.a., 455
- Appropriation No. 4. 1r, 573; 2r, 573-4; 3r, 574; r.a., 578
- Appropriation No. 5. 1r, 574; 2r, 574-5; 3r, 575; r.a., 578
- Buffalo and Fort Erie Public Bridge Company. 1r, 445; 2r, 464-8; 3r, 468
- Canada Council. 1r, 214; 2r, 239-48, 258-66, 270-6, 295-302; 3r, 325-7, 338-43; r.a., 447
- Canada-Netherlands Income Tax Agreement. 1r, 569; 2r, 569-72; 3r, 572; r.a., 578
- Canada-New Brunswick Agreement (Indian Reserves) bill. 1r, 5
- Canada Shipping. 1r, 19; 2r, 302-3; ref to com, 303; rep of com-3r, 316; r.a., 447
- Canada-South Africa Death Duties Agreement. 1r, 572; 2r, 572-3; 3r, 573; r.a., 578
- Canada-South Africa Income Tax Agreement. 1r-2r-3r, 572; r.a., 578
- Canadian Farm Loan. 1r, 316; 2r, 353-7; ref to com, 357; rep of com-3r, 358; r.a., 447
- Canadian National Railways Financing and Guarantee. 1r, 497-8; 2r, 513-18; ref to com, 518; rep of com-3r, 519; r.a., 578
- Canadian Wheat Board. 1r, 156; 2r, 197-205, 225-38; ref to com, 238; rep of com, 239; 3r, 258; r.a., 447
- Currency, Mint and Exchange Fund. 1r, 19; 2r, 331-2, 343; ref to com, 343; amdt concurred in-3r, 349; r.a., 578
- Customs Tariff. 1r, 497; 2r, 509-12; 3r, 512; r.a., 578
- Dominion Succession Duty. 1r, 495; 2r, 496; ref to com, 497; rep of com-3r, 503; r.a., 578
- Eastern Rocky Mountain Forest Conservation. 1r, 278; 2r, 307-9; ref to com, 309; rep of com-3r, 316; r.a., 578
- Exchequer Court. 1r, 278; 2r, 332-3; ref to com, 333; rep of com, 349; amdt concurred in-3r, 402; r.a., 578
- Excise. 1r, 497; 2r, 512-13; 3r, 513; r.a., 578
- Excise tax. 1r, 497; 2r, 505-9; 3r, 509; r.a., 578
- Export and Import Permits. 1r, 5; 2r, 266-8; 3r, 270; r.a., 447
- Export Credits Insurance. 1r, 294; 2r, 346-8; ref to com, 348; rep of com, 349; 3r, 359-65; r.a., 447
- Fertilizers. 1r, 419; 2r, 437-42; ref to com, 442; rep of com, 443; amdt concurred in, 452-4; 3r, 454; r.a., 578
- Government Property Traffic. 1r, 278; 2r, 343-6; ref to com, 346; rep of com, 350; 3r, 366-7, 379-88
- Hospital Insurance and Diagnostic Services. 1r, 546; 2r, 546-58; 3r, 558; r.a., 578

Bills, Public—Concluded

- Income Tax. 1r, 487; 2r, 487-95; ref to com, 495; rep of com-3r, 503; r.a., 578
- Judges. 1r, 498; 2r-3r, 518; r.a., 578
- Merchant Seamen Compensation. 1r, 335; 2r, 431-3; 3r, 437; r.a., 447
- Municipal Grants. 1r, 330; 2r, 406-16; ref to com, 416; rep of com, 435; 3r, 445; r.a., 447
- Narcotic Control. 1r, 5; 2r, 317-22; ref to com, 323; rep of com, 330; amdts concurred in-3r, 343
- Pacific Fur Seals Convention. 1r, 501; 2r, 501-3; 3r, 503; r.a., 578
- Pacific Salmon Fisheries Convention. 1r, 368; 2r, 371-9; 3r, 397; r.a., 447
- Prairie Farm Assistance. 1r-2r, 497; 3r, 503-5; r.a., 578
- Prairie Grain Producers Interim Financing. 1r, 486; 2r-3r, 486-7; r.a., 578
- Prisons and Reformatories. 1r, 335; 2r, 397-402; 3r, 405; r.a., 578
- Quebec Savings Banks. 1r, 75; 2r, 124-6; ref to com, 126; rep of com, 145-6; amdts concurred in-3r, 164; r.a., 447
- Railways (*pro forma*). 1r, 3
- Royal Canadian Mounted Police. 1r, 5; 2r, 323-5; 3r, 331; r.a., 578
- Territorial Lands. 1r, 5; 2r-3r, 302; r.a., 578
- United Kingdom Financial Agreement. 1r, 566; 2r, 566-7; 3r, 567-8; r.a., 578
- Windsor Harbour Commissioners. 1r, 75; 2r, 303-5; ref to com, 305; rep of com-3r, 316; r.a., 578

Bishop of the Arctic bill. 1r, 294; 2r, 333; ref to com, 333; rep of com-3r, 358; r.a., 455

Bois, Hon. Henri C.

Address in reply to Speech from the Throne, motion for, 20-22

Agriculture

- Butter, increase in consumption, 21
- Exports, decrease since 1951, 20
- Land use, committee on, 20, 22
- Migration from farms to industry, 20
- Quebec, farm land conditions, 21

Borden, Henry, O.C., speech at unveiling of statue of Sir Robert Borden, 12-13

Borden, Sir Robert, statue, speeches at unveiling ceremony, 4, 10-14

Boucher, Hon. William A.

Introduction to Senate, 18

Bouffard, Hon. Paul H.

- Acting Speaker, 165, 194
- Canada Council bill, 241
- Canadian Pacific Railway Company and certain wholly-owned subsidiary companies bill, 51, 66-67

Bradette, Hon. Joseph A.

- Currency, Mint and Exchange Fund bill, 331-2, 343
- Remedy allowance, ten-cent pieces, 331

Britain—See United Kingdom**British America Assurance Company bill.**

- 1r, 294; 2r, 329; ref to com, 329; rep of com, 349-50; 3r, 350; r.a., 455

British Columbia

- Assessment of properties, 407, 408
- Beef imported from Texas, 237
- British Columbia Electric Company, 377, 378
- Disabilities under Canadian Wheat Board regulations, 200, 201, 202, 236
- Shipments between provincial points via U.S. highway, 202-4
- Haney, new penal institution, 397
- Hospital insurance and diagnostic services—plan accepted, 547; estimates of costs and federal contributions, 548, 549, 550, 551
- Market for feed grain, 236-7
- Mica dam, proposed, 47
- Salmon fisheries, 24, 46, 372-9
- Senators from, legislative experience, 37
- University, funds needed for fishery biologists, 47
- See Pacific Salmon Fisheries Convention bill, 368, 371-9, 397, 447

British Wheat Agreement, 227, 228, 229, 231, 234

Budget Speech, Commons gallery accommodation for senators, 335

Buffalo and Fort Erie Public Bridge Company bill. 1r, 445; 2r, 464-8; 3r, 468

Burchill, Hon. G. Percival

- Bishop of the Arctic bill, 333
- Canada Council bill, 295-8
- Literature prize for Canadian authors proposed by the late Senator David, 295-6
- Roebuck, Hon. Arthur W., outstanding artist, 297
- Scholarships, need for, 296
- Universities
 - Federal grants appropriate: universities contribute to national betterment and unity, 296-7
 - Functions, 296-7
 - Mount Allison Art School, 295
 - New Brunswick University, 296-7
- Eastern Rocky Mountain Forest Conservation bill, 307
- Export Credits Insurance bill, 361
- Exports to United States, 361
- Fertilizers bill, 441

Burchill, Hon. G. Percival—Concluded

- Municipal Grants bill, 415
- Overall study of taxation required, 415
- Real estate taxes, source of municipal revenues, 415
- Royal Canadian Mounted Police bill, 325
- Senate
 - Lack of publicity in press, 361
 - Work—Standing Committees, membership, 396-7

Butter, increase in consumption, 21
See Margarine

Cameron, Hon. Donald

- Address in reply to Speech from the Throne, 75-85
- Atomic Energy Agency, International, Statute, 478-82
 - Resolution of approval, 478; agreed to, 482
 - Statutory articles of most importance to Canada, 479, 480, 481
- Canada Council bill, 243-5
- Capital grants, 244
- Distribution of funds, 244-5
 - Artificial stimulation of the arts, risk of, 244
 - Criterion for granting assistance, 244-5
 - Gifts, tax exemption suggested, 245
 - Prime Minister, interest in bill, 244
 - Representation from business world desirable, 76
 - Small universities, need for, 76
 - Technical education, 76
 - UNESCO Commission, 244
 - University grants, 76
- Canadian diplomatic service in India and Pakistan, 77, 84
- Chair of Commonwealth Relations, University of Aliwar, India; establishment in other countries advocated, 84
- Co-operative Life Insurance Company bill, refund of fees, 294
- Immigration
 - Hungarian refugees, 76
 - Increase from Britain and other countries hoped for, 76
- Land use, special committee on, 76
 - Alberta, soil conservation, 76
- Middle East crisis, 78-79, 84
- Stratford Shakespearean Festival Foundation of Canada, grant for construction of permanent theatre, 427, 429
- UNESCO, Ninth General Conference, New Delhi, 76-84
 - Budget and programs, 80, 81-83
 - Canadian delegation, 76, 81
 - Leader—Leonard W. Brockington, Q.C., 77; important statements, 79-80
 - Colombo Plan, 84
- India
 - Prime Minister Nehru, 78, 79, 84
 - Role in world affairs, 77-78

Canada Council

- Funds, distribution, 240-1, 242, 243, 244-5, 246, 247, 272, 274, 301
 - Non-political, 298, 301
- Parliamentary supervision, 272, 301
- Private giving a continuing necessity, 261, 299
 - Tax exemption suggested, 245
- Grants
 - Arts, 56
 - Quebec, non-acceptance, 32, 40-41
 - Universities, 2, 31-32, 47, 55-57, 76, 100-1, 110, 113-14, 117, 120-1, 161, 170-1, 240-3, 265-6, 276, 296-7, 301, 422
- Parliamentary control of Council, 261, 263
- Representation from business world desirable, 76
- Scholarships, 296, 299-300
- Small universities, need for, 76
- UNESCO Commission, 240, 244, 260, 272, 484
- Universities
 - Functions, 296
 - Mount Allison Art school, 259, 295
 - New Brunswick University, 296-7, 298
 - Problems, 297, 298
 - Telecasts, payment by Council suggested, 462
- Canada Council bill.** 1r, 214; 2r, 239-48, 258-66, 270-6, 295-302; 3r, 325-7, 338-43; r.a., 447
- Canada-Netherlands Income Tax Agreement bill.** 1r, 569; 2r, 569-72; 3r, 572; r.a., 578
- Canada-New Brunswick Agreement (Indian Reserves) bill.** 1r, 5
- Canada's foreign policy,** 457-60, 469-77, 482-5
 - External Relations Committee of Senate, co-operation with Commons Committee suggested, 482
 - International affairs, part played by Canada, 483-4
 - Middle East crisis, 471-2, 483-4
 - Resolution of approval, 457, 469; agreed to, 485
 - Underdeveloped countries, aid to, 473-7, 484
 - United Nations Charter, fundamental principles, 483-4
- Canada Shipping bill.** 1r, 19; 2r, 302-3; ref to com, 303; rep of com-3r, 316, r.a., 447
- Canada-South Africa Death Duties Agreement bill.** 1r, 572; 2r, 572-3; 3r, 573; r.a., 578

- Canada-South Africa Income Tax Agreement bill.** 1r-2r-3r, 572; r.a., 578
- Canadian Broadcasting Corporation**
 Criticism of program, 449-50
 Proposed free time for telecasts by universities, 435-6, 460-4
 Royal Commission on Broadcasting (Fowler Commission) report, 460-1
- Canadian Co-Operative Credit Society Limited bill.** 1r, 205; 2r, 255-6; ref to com, 256; rep of com-3r, 278; r.a., 447
- Canadian Farm Loan bill.** 1r, 316; 2r, 353-7 ref to com, 357; rep of com-3r, 358; r.a., 447
- Canadian National Railways**
 Capital expenditures, 513-14, 515
 Compared with those of Canadian Pacific Railway, 513-14
 Considered against background of general economic situation, 517
 Equipment, 514
 Dieselization of motive power, 514
 Financing of, 515
 Hotels, 514
 Queen Elizabeth Hotel, Montreal, 514
 Operating surplus, 515
 Touche, George A. & Co., Auditors, 516
- Canadian National Railways Financing and Guarantee bill.** 1r, 497-8; 2r, 513-18; ref to com, 518; rep of com-3r, 519; r.a., 578
- Canadian National Railways War Veterans' Association bill.** Refund of fees, 19
- Canadian Pacific Railway**
 Capital expenditures, 513-14
 Diesel firemen, conciliation board report tabled, 5
 Strike, 2, 27, 37
 Order in Council appointing Commission of Inquiry tabled, 37
 Net earnings, 515
- Canadian Pacific Railway Company bill** relating to certain wholly-owned subsidiary companies. 1r, 51; 2r, 66-67; ref to com, 67; rep of com-3r, 87; r.a., 447
- Canadian Trade Relations Committee**
 Appointment, 9-10; quorum, 26
- Canadian Wheat Board** —See Wheat
- Canadian Wheat Board bill.** 1r, 156; 2r, 197-205, 225-38; ref to com, 238; rep of com, 239; 3r, 258; r.a., 447
- Churchill, Port of**
 Shipping facilities, 132, 158-9, 200
- Civil service,** 173-4, 449-51
 Outstanding civil servants, 450-1
 Parliamentary control, 450
- Civil Service Administration Committee,** 174
 Appointment, 10; quorum, 26
- Coldwell, M. J., M.P.,** Leader of Co-Operative Commonwealth Federation, speech at unveiling of Sir Robert Borden statue, 13-14
- Colombo Plan,** 84, 474
- Columbia River** power development, 376-7
- Committees**
 Appointments, 3, 4, 8-10, 75, 88-89
 Quorums, 26
 See Committees under individual names
- Commonwealth of Nations,** 1, 84
 Chair of Commonwealth Relations, University of Aliwar, India; establishment in other countries advocated, 84
- Connolly, Hon. Harold**
 Address in reply to Speech from the Throne, 150-5
 Economic Prospects, Royal Commission, preliminary report, 151-4
 Atlantic region, references to, 151-2
 Economy, proposals for improvement, 152-4
 Halifax, port of, 152-3
 Maritime freight rates, 153-4
 Risk capital, 154; Industrial Development Bank Act, redraft suggested, 154
 Tariffs, 154
- Senate**
 Provincial representation, 151
 Public Relations committee suggested, 150-1
 Tourist traffic, 288-9
 Nova Scotia, scenic attractions, 288
 United States tourists, economic importance, 288-9
 Windsor Harbour Commissioners bill, 305
- Connolly, Hon. John J.**
 Appropriation bill No. 2, 425-6
 Canada Council bill, 241, 261-4, 342-3
 Arts, humanities and sciences, need for assistance, 261
 Gifts by private foundations and individuals, 342-3
 Parliamentary check on Council, 263
 Public men in literary field, 263-4
 Macdonald, the late Hon. Angus L., 264
 Victorian England, strides made in humanities, 262

- Connolly, Hon. John J.—Concluded**
 Canada-Netherlands Income Tax Agreement bill, 570-1, 572
 Corporation tax, 570, 571
 Dividends, withholding tax, 570-1
 Real estate, 570
 Canadian Co-operative Credit Society Limited bill, 205
 Customs Tariff bill, 509-12
 Potatoes, imports from and exports to United States, 510, 511, 512
 Reductions in tariff, 510
 Divorce rules, 69, 71, 72
 Dominion Succession Duty bill, 496-7
 Federal-provincial duty ratio, 496
 Superannuation or pension rights, 496
 Duffus, the late Hon. J. J., tribute to his memory, 148-9
 Excise bill, 512-13
 Tobacco, reduction of duty, 512
 Excise Tax bill, 505-9
 Automobiles, time of application of excise tax, 506, 507
 Filing of returns, 507
 Sales tax exemptions, 505-6
 Fertilizers bill, 452-4
 "Prima facie proof" of statement of analysis, 452-4
 Government Property Traffic bill, 343-4, 366-7
 Parliament's jurisdiction over Crown property, 366
 Penalties, 344, 346, 366
 Traffic offences on Parliament Hill, 366-7
 Hospital Insurance and Diagnostic Services bill, 556-7
 "Cost", definition of, 557
 Municipally-owned and private hospitals, capital requirements, 557
 Income Tax bill, 487-95
 Alimony payments, 491-2
 Charitable donations, 493-4, 495
 Company expenses, 491, 492-3
 Immigrant children, allowances for, 493
 Medical expenses, 494
 Pension plans for self-employed people, 488-91, 492
 Property transferred from fisherman to son, 491
 Rental income, 491
 Life Underwriters Association of Canada bill, 46
 Mineral resources, 202
 Money bills, initiation of, 425-6
 Municipal Grants bill, 410
 Oblate Fathers of Assumption Province bill, 51, 85, 258
 Pères Oblats de l'Immaculée Conception bill, 258, 291-3
 Progressive Insurance Company of Canada bill, 416-17
- Co-operative Life Insurance Company bill.**
 Refund of fees, 294
- Cost of living index, 28, 219**
- Credit buying, 157**
- Crerar, Hon. T. A., P.C.**
 Canadian Farm Loan bill, 356
 Canadian Wheat Board bill, 225-30, 231, 232, 234
 Board, compulsory powers, 225, 226, 227
 Historical survey, 226, 227, 228
 Limitations on private individuals, 226
 Exchequer Court bill, 332
 Salaries of officials, statutory limitation, 332
 Feed grains, western, freight assistance, 117
 Fertilizers bill, 438-9
 Administrative staff, 438-9
 Land use, special committee, 94-96
 Conservation, importance of, 95-96
 Problem, wide application, 94
 Senate well qualified to make study, 96
 Municipal Grants bill, 409-11
 Federal Government property intended for service to community, 409, 410, 411
 Ottawa, benefits from status of national capital, 410
 North Waterloo Farmers Mutual Insurance Company bill, 269
 Senate
 Chamber, carpet, 215
 Non-political viewpoint on legislation, 364
 Suez Canal, loan to help finance clearing, 117-18
 United States policy, 118
 Tourist traffic, 286-8
 Economic importance of foreign visitors, 286
 Good roads and accommodation essential, 286
 Scenic attractions across Canada, 287
 Riding Mountain National Park, Manitoba, 287
 Wheat
 British and International agreements, 227, 228, 229, 231, 234
 Sales, losses incurred by western provinces, 227, 228
 Shipments between British Columbian points, 203
 Surplus, 228, 229
 United States
 Marketing of surplus, 229
 Parity prices, 228
- Croll, Hon. David A.**
 Bilingualism, essential to true Canadianism, 461
 Broadcasting
 Royal Commission (Fowler Commission) report, 460-1
 Canadian Broadcasting Commission, 460-1

- Croll, Hon. David A.—Concluded**
 Broadcasting—*Concluded*
 French language stations, 461
 Private stations, 460-1
 Television stations and sets (various countries), statistics, 461
 Universities, proposed free time on C.B.C. for telecasts, 436, 460-1
- Canada's foreign policy, 457, 469-77
 Approved in western world, 470
 Middle East crisis, 471-3
 Israel, conditions of withdrawal from Gaza Strip, 471-2
 United States policy, 471, 472
 Resolution of approval, 457, 469; agreed to, 485
 Secretary of State for External Affairs, proposed invitation to discuss resolution in Senate, 457, 469
 Underdeveloped countries, aid to, 473-6
 Colombo Plan, 474
 SUNFED (Special United Nations Fund for Economic Development), 475-6
 United Nations
 Canadian contributions to administrative budget and special agencies, 473
 General Assembly, Eleventh Session, 469, 475-6
 Canadian delegation, 469, 470
 Secretary of State for External Affairs, outstanding role, 470
- Canada Shipping bill, 303
 Government Property Traffic bill, 366-7, 385-6
 Rights of members of Parliament, 366-7, 386
- Hospital Insurance and Diagnostic Services bill, 552-3, 556, 557
 Costs, government and private schemes compared, 553
 Martin, Hon. Paul, Minister of National Health and Welfare, sponsorship of legislation, 552, 553
 Public opinion, Gallup poll, 552
- Prisons and Reformatories bill, 397-401
 Penitentiary statistics, 398
 Recidivism, 398
 Rehabilitation of offenders, 397, 398
 Remission service, Fauteux Committee report, 397-8, 399-400; recommendations, 399-400
- Windsor Harbour Commissioners bill, 303-5
 Benefits from development of port, 304
- Crown companies, 449-50**
 Employees, civil servants, 450
- Crowsnest Pass Agreement on freight rates, 34, 128**
 Senate action on, 34
 Western farmers, savings from, 34
- Curling, Dominion championships, tributes to competing rinks, 351-2**
- Currency, Mint and Exchange Fund bill. 1r, 19; 2r, 331-2, 343; ref to com, 343; amdt concurred in-3r, 349; r.a., 578**
- Customs Tariff bill. 1r, 497; 2r, 509-12; 3r, 512; r.a., 578**
- Daigle, Hon. Armand**
 Death of—tributes, 336-7
- David, the late Hon. Athanase, le Prix David, founding of, 273-4; proposed literature prize for Canadian authors, 295-6**
- Davies, Hon. W. Rupert**
 Address in reply to Speech from the Throne, 52-58
 Agricultural Products Marketing bill, 565
 Appropriation bills: No. 2, 428; No. 5, 575
 Buffalo and Fort Erie Public Bridge Company bill, 466
 Canada Council, 55-57
 Drama and musical organizations, support needed, 56-57
 Grants for small universities, 56
 Canada-Netherlands Income Tax Agreement bill, 570, 571
 Canadian National Railways Financing and Guarantee bill, 514, 515
 Corporation taxes, 54
 Small companies, graded tax suggested, 54
 Economic Prospects, Royal Commission, preliminary report, 57-58
 Maritime provinces, conditions in, 57-58
 Excise bill, 512
 Hospital Insurance and Diagnostic Services bill, 546, 548, 549, 554, 555, 556, 557
 Industrial hospital schemes, 555
- Immigrants**
 British, generous treatment recommended, 53
 Hungarian refugees, 53
 Inflation problem, 54-55
 Land Use, special committee, 57, 96-97
 Eastern Ontario, problem in, 57
 Prairie Farm Assistance bill, 503-4
- Press**
 Criticisms of Senate, 52-53
 Parliamentary Gallery, reporting of Senate debates, 52-53
- Quebec Savings Banks bill, 126**
- United Kingdom Financial Agreement bill, 566-7**
 Britain, economic conditions, 567
 Deferment of payments on loan, 566, 567
 Universities, proposed free time on C.B.C. for telecasts, 435, 436

- Debates and Reporting Committee**
Appointment, 9; quorum, 26
- Defence**, war expenditures, 27-28
- Dessureault, Hon. Jean-Marie**
Acting Speaker, 269, 278
Address in reply to Speech from the Throne, 103-6
Canada Council, 104
Inflation, 104
Suggested remedies, 104
Land Use, special committee, 104
NATO
Interparliamentary conference, Paris, 105
Canadian delegation, 105
Parliamentary Associations, 105
Canadian Association
Robertson, Hon. Mr. (Speaker of the Senate), tribute to work, 106
Secretary, Lieutenant-Colonel R. La-rose, 106
Prime Minister, felicitations on 75th birthday, 104
- Diefenbaker, John G., Q.C., M.P.**, Leader of the Opposition in the House of Commons—speech at unveiling of Sir Robert Borden statue, 13
- Diesel firemen**—See Canadian Pacific Railway
- Dieselization of motive power**, Canadian National Railways, 514
- Diplomatic service**, Canadian, in India and Pakistan, 77, 84
- Divorce**
Bills, see pp. 612-17
Committee
Appointment, 4; quorum reduced, authority to sit during adjournments and to appoint subcommittees, 15
Reports, 4, 15, 16, 35, 44-45, 46, 50, 51, 61, 63, 66, 67-73, 74, 85, 87-88, 102, 103, 108, 122-3, 126, 144, 146, 164, 165, 213, 239, 258, 268, 277, 278, 294, 306, 368, 389, 404, 418, 429, 431, 433, 442, 443, 452, 456-7
Work of, 38, 206, 208, 210, 211, 394-5
Cost, 208
Petitions withdrawn, refund of fees, 16, 87-88, 108
Proposed reduction in number of sessional hearings, 391
- Rules**
Amendments, 35-37, 44-45, 67-73, 141-3, 174-6, 205-8, 209-13
Co-respondent, naming of, 35-37, 44-45, 67-73, 141-3, 175-6, 207, 208, 209, 211-12
Respondent, statement of facts, 35-37, 44-45, 67-73
- Statistics**, 15-16, 214, 368, 370-1, 456
Inquiry, 351; answer, 370-1
82719—38
- Dolan, Leo**, first Director of Canadian Government Travel Bureau, 280, 291
- Dominion Succession Duty bill**. 1r, 495; 2r, 496; ref to com, 497; rep of com-3r, 503; r.a., 578
- Duffus, Hon. J. J.**
Absence during two sessions referred to Committee on Orders and Privileges, 18; Order of reference rescinded, 146
Death of—tributes, 147-9
- Dupuis, Hon. Vincent**
Appropriation bill No. 2, 421-2, 425
Eastern Rocky Mountain Forest Conservation bill, 308
Education, provincial jurisdiction, 422
University grants—universities attended by students from all provinces, 422
Income Tax bill, 492
Money bills, powers of Senate respecting, 422, 425
Prisons and Reformatories bill, 400
- Eastern Rocky Mountain Forest Conservation bill**. 1r, 278; 2r, 307-9; ref to com, 309; rep of com-3r, 316; r.a., 578
- Economic Prospects**, Royal Commission (Gordon Commission) preliminary report, 19, 23, 42, 57-59, 134-6, 151-2, 155, 163, 219, 377, 378
Automobiles and trucks, taxes and licence fees, 23
British Columbia, 377, 378
Maritime provinces, 57-59, 134-6, 151-2, 155
- Eden, Right Hon. Sir Anthony**, former Prime Minister of United Kingdom, action in Middle East commended, 116
- Edinburgh, Duke of**—See Prince Philip, His Royal Highness the
- Education**
Proposal for study of problems by Senate committee, 421, 429
Provincial responsibility, 243, 271, 272, 274, 422
Teachers, influence upon lives of pupils, 242-3; devotion of, 270-1
UNESCO, primary education project, 80
See Canada Council
- Egypt**—See Middle East
- Election, federal**, predictions, 27, 38, 363
- Employment**, 2, 54, 138

- Equitable Fire Insurance Company of Canada bill.** 1r, 294; 2r, 327-8; ref to com, 328; rep of com-3r, 358; r.a., 455
- Estimates**
 Consideration by Finance Committee, 421, 429
 Interim supply—undertaking by Government Leader that passage would not preclude later discussion of estimates, 449, 574
 Supplementary, 109-22, 128-32, 419-29
- Euler, Hon. W. D., P.C.**
 Agricultural Products Marketing bill, 565-6
 Right of producers to make interprovincial shipments, 565-6
 Buffalo and Fort Erie Public Bridge Company bill, 466, 468
 Canadian representation on board, 468
 Tolls, 468
 Canada Council bill, 301
 Customs Tariff bill, 511
 Dominion Succession Duty bill, 503
 Equitable Fire Insurance Company of Canada bill, 327-8
 Excise Tax bill, 507, 508, 509
 Margarine, discrimination against, 508
 Quebec, sale of butter substitute, 508
 Fertilizers bill, 439
 Government Property Traffic bill, 350, 386-7
 Hospital Insurance and Diagnostic Services bill, 548, 549, 555
 Income Tax bill, 503
 Minerals, exhaustion, 202
 Ministers from Commons, right to speak in Senate, question as to procedure, 459-60
 Municipal Grants bill, 406, 407, 408, 413-14
 Assessment of federal property, 413
 Real estate taxes source of municipal revenues, 413-14
 North Waterloo Farmers Mutual Insurance Company bill, 305-6
 Pacific Salmon Fisheries Convention bill, 372, 377, 378
 Prairie Farm Assistance bill, 504, 505
 Prisons and Reformatories bill, 402
 St. Lawrence Seaway project—the late D. B. Detweiler, initiator, 305
 Senate chamber, acoustics, 7
 United Kingdom Financial Agreement bill, 567
 Windsor Harbour Commissioners bill, 305
- Europe, projected free-trade area,** 50, 311
- Exchequer Court bill.** 1r, 278; 2r, 332-3; ref to com, 333; rep of com, 349; amdt concurred in-3r, 402; r.a., 578
- Excise bill.** 1r, 497; 2r, 512-13; 3r, 513; r.a., 578
- Excise Tax bill.** 1r, 497; 2r, 505-9; 3r, 509; r.a., 578
- Export and Import Permits bill.** 1r, 5; 2r, 266-8; 3r, 270; r.a., 447
- Export Credits Insurance bill.** 1r, 294; 2r, 346-8; ref to com, 348; rep of com, 349; 3r, 359-65; r.a., 447
- Exports**
 Agricultural, decrease since 1951, 20
 Inflation, effect on, 29, 139
 Trade deficit with United States, 249, 250, 252
 Wheat to Europe, 205
- External Affairs, Department of—See Pearson, Hon. Lester B.**
- External Relations Committee**
 Appointment, 9; quorum, 26
 Co-operation with Commons committee suggested, 482
- Farris, Hon. J. W. de B.**
 Canada Shipping bill, 303
 Divorce
 Rules, 70, 72, 73, 174-6
 Amendments, 174-6
 Co-respondent, naming of, 175-6
 Exchequer Court bill, 333
 Export and Import Permits bill, 266-8
 Middle East
 Eden, Sir Anthony, action commended, 116
 Loan to help finance clearing Suez Canal, 115-16
 Suez Canal, and Israel and Egypt and actions of United Nations—inquiry, 359; answer, 522, 523-45
 Royal Canadian Mounted Police bill, 324
 Senate chamber, acoustics, 175
 United Nations, defiance by Russia, India and other nations, 116
 United States, Canadian borrowings in, 253
 Windsor Harbour Commissioners bill, 304
- Fauteux Committee on Remission Service,**
 report, 397-8, 399-400
 Recommendations, 399, 400, 402
- Federal District Commission,** 2, 344, 345, 346
- Feed grains, western**
 Freight assistance, 109-10, 113, 116-17, 119-20, 121, 128, 129-30, 131-2, 162

Fergusson, Hon. Muriel McQ.

- Canada Council bill, 259-61
- Parliamentary control of Council, 261
- Scholarships, need for, 259-60
 - International, 260
- UNESCO, 260-1
- Universities, economic crisis, 259
 - Mount Allison
 - Contributions by alumni, 259
 - Summer School of Arts, 259
- Divorce petitions not disposed of, 457
- Governing Councils of Salvation Army bill, 197, 254-5
 - Removal of monetary limitation on annual value of real estate, 255
- Prisons and Reformatories bill, 400
- Tourist traffic, 290-1
 - New Brunswick, scenic attractions, 291
 - Dolan, Leo, first Director of Canadian Government Travel Bureau, 291

Ferry service—Construction of auto-ferry, Wood Islands, P.E.I., and Caribou, N.S., 111

Fertilizers bill. 1r, 419; 2r, 437-42; ref to com, 442; rep of com, 443; amdt concurred in, 452-4; 3r, 454; r.a., 578

Finance Committee

Appointment, 9; quorum, 26

Fisher, John W., Canadian Broadcasting Corporation commentator, 280

Fisheries

- Fraser River salmon, 372, 374, 375, 377, 378
 - Dams, effect on salmon, 376, 377
- International Pacific Salmon Fisheries Commission, 373, 374, 375, 376
- Newfoundland fishing industry, 135-6
- Pacific Salmon Fisheries Convention bill, 368, 371-9, 397
- Sockeye Salmon Treaty with United States extended to cover Pink Salmon, 372, 375, 378
- Research on effect of seals on Pacific fisheries, 502

Flag, national

- Proposed design, 498, 519
- Other suggested designs, 519-21
- Provincial flags, 521-2
- Red Ensign, 463, 498, 520-1
- Newspaper report, 498

Foreign policy—See Canada's foreign policy

Fournier, Hon. Sarto

- National Film Board, moving of equipment Ottawa to Montreal, inquiry, 358; answer, 370
- 82719—38½

France

- Prime Minister Guy Mollet, visit to Parliament, 225
- Address to members of both houses, 294, 311-15

Fraser River

- Report of Fraser River Basin Board, inquiry, 51
- Salmon industry, 372, 374, 375, 377, 378

Freight rates

- Crownest Pass Agreement, 34, 128
- Maritimes, 58, 153-4, 219-20
- See Feed grains, western

Gardiner, Right Hon. James G., P.C., M.P., Minister of Agriculture, 562-3, 564-5

Gershaw, Hon. F. W.

Address in reply to Speech from the Throne, 63-66

Alberta

- Medicine Hat, motor traffic, fatal accident record, 65
- Oil wealth, 63-64, 285
- Sugar beet industry, 285
- Canadian Farm Loan bill, 354
 - Complaints against Board, 354

Divorce

Committee reports, 404

Rules

- Amendments, 208-9
 - Co-respondent, naming of, 209
 - Continuous review of rules desirable, 209

Eastern Rocky Mountain Forest Conservation bill, 307

Highway traffic accidents, 64-65

- Causes, 64
 - Preventive measures proposed, 64-65
- Land Use, special committee, 65-66
- Prairie Farm Rehabilitation Act, 65
 - Irrigation schemes, 66

Library of Parliament, report of Librarian, 34

Merchant Seamen Compensation bill, 432

Tourist traffic, 285-6

- Alberta Bad Lands, 286
- Trans-Canada highway, 286
- Waterton National Park, 286

Ghana

Celebration of Independence, Canadian Opposition not represented at ceremonies, 330-1

Problems of poverty, 476-7

Golding, Hon. William H.

- Baptist Convention of Ontario and Quebec bill, 452
- Canadian Farm Loan bill, 353-4
 - Increase in capital of board, 353
 - Loans, 353; interest rate, 354
- Canadian National Railways War Veterans' Association bill, refund of fees, 19
- Divorce, committee report, 452; statistics, 456
- Duffus, the late Hon. J. J., tribute to, 149
- Money bills, Senate powers respecting, 427

Gordon Commission—See Economic Prospects, Royal Commission**Gouin, Hon. L. M.**

- Alliance Nationale (Alliance Mutual Life Insurance Company) bill, 156, 222-3
 - Voting rights of members of company, 222-3
- Canada's foreign policy, 482-5
 - External Relations Committee, 482
 - Close co-operation with Commons committee suggested, 482
 - International affairs, part played by Canada, 483-4
 - Minister of National Health and Welfare, 484
 - Prime Minister, 483
 - Secretary of State for External Affairs, 482, 483, 484
 - Annual appearance before Senate suggested, 482
 - Middle East crisis, 483-4
 - Egypt's restrictions on Israeli shipping, 483-4
 - Underdeveloped countries, desire for schools, 484
 - Canada Council will facilitate exchange of students, 484
 - United Nations Charter, fundamental principles, 483-4
 - Daigle, the late Hon. Armand, tribute to, 336-7

Government Property Traffic bill. 1r, 279; 2r, 343-6; ref to com, 346; rep of com, 350; 3r, 366-7, 379-88

Governor General

- Opening of Parliament, 1; Speech from the Throne, 1-3; message of thanks for Address in reply, 368
- Deputy Governor General, Hon. Patrick Kerwin, Chief Justice
 - Royal Assent, 144, 445-8, 455, 576-8
 - Speech from the Throne at prorogation, 578-80

Great Britain—See United Kingdom

Gross national product, 41, 42, 138, 139, 253, 254

Haig, Hon. John T., Leader of the Opposition in the Senate

- Address in reply to Speech from the Throne, 27-34
- Alberta, mineral rights in land, 409
- Appropriation bills: No. 1, 112-14; No. 2, 420-1; No. 3, 449
- Baptist Convention of Ontario and Quebec bill, 433-4
- Buffalo and Fort Erie Public Bridge Company bill, 468
- Canada Council bill, 241-3
 - Education
 - Gifts, income tax exemption advocated, 242-3
 - Provincial requirements, 242, 243; responsibility, 243
 - Teachers' influence upon lives of pupils, 242-3
 - University grants, 31-32, 113-14, 117
 - Canadian Farm Loan bill, 354-5, 356
 - Liens on machinery and equipment, 355
 - Canadian Wheat Board bill, 199, 232-4
 - Compulsory legislation, 233
 - Wheat
 - British agreement, 232, 233
 - Marketing, 232-3, 234; United States policy, 233, 234
 - Surplus, 233, 234
 - Corporation taxes, 30-31
 - Curling, Dominion championships, tribute to competing rinks, 351-2
 - Daigle, the late Hon. Armand, tribute to, 336
 - Diesel firemen, Canadian Pacific Railway, strike, 27
 - Divorce
 - Committee, work of, 469
 - Rules, amendments, naming of co-respondent, 36
 - Duffus, the late Hon. J. J., tribute to, 147-8
 - Education, 31-32, 113-14, 117, 241-3, 420
 - Problems, 242-3; proposed study by committee, 421
 - Election, federal, predicted date, 27, 38; predicted Conservative gains, 363
 - Estimates, consideration of, 420
 - Export Credits Insurance bill, 347-8
 - Feed grains, western, freight assistance, 113
 - Fertilizers bill, 444
 - Government Property Traffic bill, 345-6, 387
 - Hudson Bay Mining and Smelting Company, corporation tax, 30-31
 - Hungarian refugees, financial assistance, 113
 - Hungary, fight for freedom, 28
 - Imports, increase over exports, 28
 - Inflation, 28-31
 - Cost of living index, 28
 - Interest rates, 28-29

- Haig, Hon. John T.—Concluded**
 Land Use, special committee, 32, 91, 92, 93
 Movement from farms to cities, 91-92
 Reforestation, 92
 Senate equipped to make study, 93
 Middle East, problem, 28
 Ministers from Commons, right to speak in
 Senate limited to explanation of bills,
 457, 458
 Municipal grants in lieu of taxes, 113
 Bill, 406, 408-9; a forward step, 408
 Senate
 Chamber, acoustics, 218, 278
 Opposition too small, 362-3, 364
 Provincial representation, 33
 Reform, 33-34
 Role of, 33-34
 Work
 Committee of the Whole, 395-6
 Lack of publicity in press, 362-3
 Standing committees, selection of mem-
 bers, 396
 Right of every senator to participate
 in committee discussion, 396
 Suez Canal, loan to help finance clearing,
 114, 115
 Taxation, 30-31; proposed study by com-
 mittee, 420-1
 Trade, competition on world markets, 30
 United States interests in Canada, 29
 University grants, 31-32, 113-14, 117
 Manitoba, 31-32, 113-14, 242, 243
 Maritime provinces, 114, 117
 Quebec, non-acceptance, 32
 War expenditures, 27-28
 Wheat surplus, 30
- Halifax**, shortage of port facilities, 101-2,
 152-3
- Hawkins, Hon. Charles G.**
 Eastern Rocky Mountain Forest Conserva-
 tion bill, 308
 McDonald, Hon. John A., former Minister
 of Agriculture, Nova Scotia, 39
- Hayden, Hon. Salter A.**
 Baptist Convention of Ontario and Quebec
 bill, 435
 British America Assurance Company bill,
 329, 349-50
 Canada Council bill, 341-2
 Council required to report to Parliament,
 342
 Currency, Mint and Exchange Fund bill,
 349
 Exchequer Court bill, 332, 349, 402
 Registrar, salary and residence, 332, 402
 Export Credits Insurance bill, 346-8, 349
 Extension of insurance, 346
 Insurance on services, 346-7
 Reserve fund, exemption from income
 tax, 347
- Hayden, Hon. Salter A.—Concluded**
 Fertilizers bill, 440-1
 Inspectors and analysts, 440-1
 Life Underwriters Association of Canada
 bill, 87
 Municipal Grants bill, 435
 Narcotic Control bill, 320-1, 330, 348
 Hon. Thomas Reid, Chairman of Senate
 Special Committee on drug traffic,
 work commended, 320
 Trafficking and other offences—severe
 penalties advocated, 320-1
 North Waterloo Farmers Mutual Insurance
 Company bill, 350
 Prisons and Reformatories bill, 400
 Progressive Insurance Company of Canada
 bill, 435
 Quebec Savings Banks bill, 145-6
 Limitations on investment powers, 145
 Royal Canadian Mounted Police bill, 324
 Western Assurance Company bill, 328-9, 349
- Hodges, Hon. Nancy**
 Acting Speaker, 214, 224, 239; congratulated,
 254
 Middle East, inquiry (for Hon. Mr. Farris),
 359; answer, 522, 523-45
 Senate chamber, poor acoustics, 7
 Tourist traffic, 284
 Travel in Canada by Canadians, 284
 United States tourists, currency discount,
 284
- Horner, Hon. R. B.**
 Address in reply to Speech from the
 Throne, 157-63
 Automobile tax, 157-8
 Canada Council bill, 245-6
 "Artificial stimulation" of the arts, 245
 Investment of grants, 246
 University education not essential for all,
 245-6
 University grants, 161
 Canadian Farm Loan bill, 355-6
 Valuation for loan purposes, 356
 Canadian Wheat Board bill, 203, 204, 234-5
 British Wheat Agreement, 234
 Compulsory powers of Board, 234-5
 Exports to Europe, 204
 Wheat surplus, 235
 Churchill, port of, shipping facilities, 132,
 158-9
 Eastern Rocky Mountain Forest Conserva-
 tion bill, 307, 308
 Economic Prospects, Royal Commission,
 preliminary report, 163
 Canadian Wheat Board, 163
 Freight rates, 131-2, 158, 162
 Farm products of Saskatchewan, 158
 Feed grains, 131-2
 Ghana, celebration of independence, Cana-
 dian Opposition not represented at
 ceremonies, 330-1
 Highway traffic accidents, 158

Horner, Hon. R. B.—Concluded

- Imports, effect on Canadian markets, 160
- Inflation, 42-43, 157, 159-60
- Credit buying, 157
- Germany, inflationary period before World War II, 42-43, 159
- Land Use, special committee, 93-94, 159
- Farm lands used for construction purposes, 93
- Municipalities, small, rising administration costs, 157-8
- Narcotic Control bill, 321-2
- Strict control system needed, 321
- Pacific Salmon Fisheries Convention bill, 378, 379
- Production costs, 160
- Queen Elizabeth Hotel, Montreal, rental to Hilton Hotels Company, inquiry, 224
- Royal Canadian Mounted Police bill, 324
- Royal Commissions, status of members, 379
- St. Lawrence Seaway, 162-3
- Senate
 - Reform—representation of Opposition party, 158
 - Stationery, report of subcommittee, 173
 - Subsidies, 131-2
 - Suez Canal, loan to help finance clearing, 111, 112, 131
 - Tourist traffic, 282-4
 - Prince Albert National park, 283-4
 - Trans-Canada highway, 283
 - United States tourists discouraged by currency discount, cost of accommodation and quality of meals, 282-3
 - Trans-Canada Pipe Lines Limited, 160-1

Hospital insurance

- Administration of scheme, 554
- Blue Cross and other voluntary plans, 550-1, 555-6
- Estimated cost to federal Government, 548, 549; to provinces, 549, 550-1
- Federal-provincial agreements, 546, 547-8
- Formula for sharing of costs, 546, 547, 548-9
- Universal coverage, 546, 548
- Means test, practical difficulties, 556

Hospital Insurance and Diagnostic Services bill. 1r, 546; 2r, 546-58; 3r, 558; r.a., 578**House of Commons**

- Debates, reference to in Senate out of order, 418
- Delay in forwarding legislative measures to Senate, 38
- Members—talk during reading of Speech from the Throne, 6
- Ministers, right to speak in Senate, 457, 458, 460
- Money bills, initiation of, 421, 425, 426, 427
- Prayers, reference to the Prince Philip, 418

Howden, Hon. J. P.

- Narcotic Control bill, 318, 322
- Drug addiction cures, 322

Hudson Bay Mining and Smelting Company, corporation tax, 30-31**Huggessen, Hon. A. K.**

- Acting Speaker, 74, 87, 103
- Agricultural Products Marketing bill, 561, 565
- Offences, burden of proof, 565
- Alaska-Yukon Pipelines Ltd. bill, 145, 163
- Canada Council bill, 264-6
- University Capital Grants Fund, 265-6
- Advantage of federal administration, 265
- Scholarships, 264
- Canadian National Railways Financing and Guarantee bill, 513-18, 519
- Authorization for future expenditures, 516
- Capital expenditures, 513-17
- Branch line construction, hotels, equipment, investment, 514
- Canadian Pacific Railway, figures compared, 513-14, 515
- Financing of, 515, 516
- President, Donald Gordon, evidence before Commons committee, 517
- Queen Elizabeth Hotel, Montreal, 514
- Road property, 514, 515
- Touche, George A. & Co., Auditors, 516
- Fertilizers bill, 439, 440
- Hospital Insurance and Diagnostic Services bill, 553-4
- Benefit to average family, 554
- Cost to federal Government, 554
- Public support of scheme, 553-4
- Income Tax bill, 493, 494
- Installation of business facilities, 493
- Pension plans for self-employed people, 494
- Opening of Parliament, right of Commons members to converse during Speech from the Throne, 6

Hungary

- Budapest, proposed investigation of conditions in, 48
- Fight for freedom, 28
- Refugees, assistance of, 24-25, 48, 52-53, 76, 110, 113, 170
- Medical examinations, 52
- Transportation, 52, 110
- Repression by Soviet Union, 1

Hutchison, Bruce, magazine article "Foolish Travellers", 280

Immigration

- British immigrants, 2, 48, 53-54, 76
- Hungarian refugees, 1, 48, 52, 53, 76, 110
- Income tax allowances for children, 493

Immigration and Labour Committee

- Appointment, 9; quorum, 26

Imports

- Agricultural products from United States, 201
- Beef from Texas, 237
- Effect on Canadian markets, 160, 201
- Increase over exports, 28, 249, 250, 252
- Machinery from United States, 55
- See Export and Import Permits bill

Income Tax

- Alimony payments, 491-2
 - Charitable donations, 493-4, 495
 - Company expenses, 491, 492-3
 - Immigrant children, allowances for, 493
 - Installation of business facilities, 493
 - Medical expenses, 494
 - Pension plans for self-employed people, 488-91, 492, 494
 - Property transferred from fisherman to son, 491
 - Rental income, 491
 - See also Canada-Netherlands Income Tax Agreement bill, 569-72, 578
 - Canada-South Africa Income Tax Agreement bill, 572, 578
- Income Tax bill.** 1r, 487; 2r, 487-95; ref to com, 495; rep of com-3r, 503; r.a., 578

India

- Canadian diplomatic service in, 77, 84
- Prime Minister Nehru, 78, 79, 84
- Role in world affairs, 77-78
- University of Aliwar, Chair of Commonwealth Relations, 84

Industrial Development Bank Act, redraft suggested, 154**Inflation, 2**

- Bank of Canada, regulation of credit and currency, 252, 253
- Causes, 137-8
- Control, means of, 104, 139-40, 250, 251, 253
- Cost of living index, 28, 54, 138
- Danger and problem, 41, 42, 43, 55, 138-9, 157, 159-60
- Effect on export trade, 29, 139
- Germany, inflationary period before World War II, 42-43, 104, 159
- Gross national production and, 138
- Interest rates, 104, 249-50, 252, 253, 254
- Tight money, 139-40, 252, 254
- United States currency, discount on, 252

Inman, Hon. F. Elsie

- Address in reply to Speech from the Throne, 58-61
- Economic Prospects, Royal Commission on, 58-59
- Maritimes—Industrial problems, 59
- Land Use, special committee, 59-60
- McIntyre, the late Hon. J. P., tribute to, 500
- Prince Edward Island
 - Farm problems, 59-60
 - Processing plants proposed, 60
 - Tourist attractions, 60-61, 284-5
- Tourist traffic, 60-61, 284-5

Inquiries

- Divorce statistics, 351, 370-1
- Fraser River Basin, report of Board, 51
- Highway, railway and air accidents, statistics, 351, 371
- Internal Economy committee, date of meeting, 239, 279, 350, 369
- Middle East—Suez Canal, and Israel and Egypt and actions of United Nations, 359, 522, 523-45
- National Film Board, moving of equipment Ottawa to Montreal, 359, 370
- Newfoundland, taxes collected, 350, 359, 419
- Pacific Great Eastern Railway, rumoured offer to purchase by Canadian National Railway, 224, 279
- Queen Elizabeth Hotel, Montreal, rental to Hilton Hotels company, 224
- Senate stationery, 46, 74, 103, 124, 128, 165, 166, 178-93, 194-5, 196-7
- Wabana airstrip, Newfoundland, 51, 88, 128, 225

Interest rates, 28-29, 104, 249-50, 252, 253, 254

- Bank of Canada, 252, 253
- Tight money, 252, 254

Internal Economy and Contingent Accounts Committee

- Appointment, 9; quorum, 26; reports, 215-18, 389, 417
- Commendation, 168-9
- Inquiry, date of meeting, 239, 279, 350, 369
- Subcommittee on Senate precincts, 215-18
- Subcommittee on Senate stationery, 165-6, 170, 171, 173, 178-93, 194-7

International Atomic Energy Agency, Statute
—See Atomic Energy Agency, International, Statute**International Pacific Salmon Fisheries Commission**, 24, 46, 373, 374, 375, 376**International Wheat agreement**, 227, 228, 232, 233

- Isnor, Hon. Gordon B.**
 Canadian National Railways Financing and Guarantee bill, 515, 516
 Road improvements, Atlantic region, 515-16
 Income Tax bill, 491, 492, 493, 494-5
 Installation of business facilities, 492-3
 Pension plans for self-employed people, 494
 Municipal Grants bill, 416
 Prisons and Reformatories bill, 401
 Roebuck, Hon. Arthur W., birthday felicitations, 279
 Tourist traffic, 279-82
 Accommodation charges, 282
 Canadian Government Travel Bureau—Leo Dolan, first Director, 280; other Government agencies, need for co-operation with, 280, 281
 Committee Chairman—Congratulated on work, 290
 Committee empowered to make inquiry, 279
 Spending by tourists, 281
 Deficit in tourist industry, 280, 281-2
 Suggested remedies, 281-2
 Trans-Canada highway, 281
 Travel in Canada by Canadians, 280, 281, 282
 United States, Canadian borrowings in, 253-4
 Effect on Canadian prosperity, 254
- Israel**—See Middle East
- Japan**, Canadian nuns interned in, 170
- Jodoin, Hon. Mariana B.**
 Roebuck, Hon. Arthur W., birthday felicitations, 282
 Tourist traffic, 282
 Quebec tourist attractions, 282
- Judges bill.** 1r, 498; 2r-3r, 518; r.a., 578
- Kerwin, Hon. Patrick**, Chief Justice, Deputy of Governor General
 Royal Assent, 144, 445-8, 455, 576-8
 Speech from the Throne at prorogation, 578-80
- Kings Mutual Insurance Company bill.** 1r, 147; 2r, 221-2; ref to com, 222; rep of com-3r, 269; r.a., 447
- Kinley, Hon. John J.**
 Divorce
 Committee
 Reports, 456
 Work, 206-8, 456-7
 Cost of processing a case, 208
 Evidence, printed and distributed, 207
 Rules, amendments, 205-8
 Co-respondent, naming of, 207, 208
- Kinley, Hon. John J.**—*Concluded*
 Merchant Seamen Compensation bill, 431-3
 Administration of act, costs, 432
 Benefits increased, 431-2
- Labour**, settlement of disputes, 27
- Lambert, Hon. Norman P.**
 Agricultural Products Marketing bill, 563, 564
 Administration of boards, 564
 Interprovincial movement of products, 564
 Bishop of the Arctic bill, 358
 Canada-Netherlands Income Tax Agreement bill, 570, 571
 Corporation income, 570, 571
 Canada's Foreign Policy, proposed invitation to Secretary of State for External Affairs to address Senate, 459
 Canadian Farm Loan bill, 358
 Canadian Wheat Board bill, 197-200, 237-8, 258
 Crerar, Hon. T. A., one of leading pioneers in grain growers' associations, 197-8
 Feed grain, ban on shipment between British Columbian points via United States highway, 258
 Grain, importance in national economy, 197
 Orderly marketing, 237-8
 United Grain Growers Limited, fiftieth anniversary, 198
 Wheat Board—historical background, 198; operations, 199
 Wheat in storage, 199-200
 Duffus, the late Hon. J. J., tribute to, 148
 Equitable Fire Insurance Company of Canada bill, 358
 Fertilizers bill, 440, 441
 Manufacturers, protection of, 441
 Hospital Insurance and Diagnostic Services bill, 550, 551, 552, 554-5, 556
 Means test suggested, 555
 Proposals in bill not closely analyzed by any committee, 556
 Inflation, 253
 McIntyre, the late Hon. J. P., tribute to, 500
 Municipal Grants bill, 408, 414-15
 Assessment of federal property, 414, 415
 Ottawa
 City's expenditure of grants requires scrutiny, 415
 Federal-municipal relations, 415
 Prairie Grain Producers Interim Financing bill, 486-7
 Loans—maximum increased, 486; interest rate, 486
 Senate work, publicity in press, 365
 Tourist traffic, 290
 Ottawa and district, tourist attractions, 290
 Parliament Buildings, 290

- Lambert, Hon. Norman P.**—*Concluded*
 United States, Canadian borrowings in, 250
 Universities, proposed free time on C.B.C. for telecasts, 436
- Land use**, 20-22, 32, 39-40, 57, 59-60, 65-66, 76, 90-99, 104, 159
 Alberta, 65-66
 Committee, Special, 39-40, 76; notice of motion to appoint, 75; appointed, 88-99; members, 89; quorum reduced, 127; authority to print proceedings, 127; reports, 127, 443
 Eastern Ontario, conditions, 57
 Economic problems of farmers, 21-22, 89-90, 97
 Farm lands, abuse of, 96; used for construction purposes, 93
 Forest conservation, 95-96
 Gordon Commission, preliminary report, references to agriculture misunderstood, 97
 Land values in cities and towns, 99
 Manitoba, 32-33, 92
 Marginal lands, 94
 Maritimes, problems, 39-40, 59-60; drainage, 94
 Migration from farms, 89, 90, 91-92, 131
 Prairies, irrigation schemes, 65-66
 Quebec and Eastern Canada, 21-22, 92
 Small farms, importance of, 159
 Transfer of farmers from submarginal areas, 97
- Leonard, Hon. T. D'Arcy**
 Address in reply to Speech from the Throne, 136-40
 Eastern Rocky Mountain Forest Conservation bill, 308
 Inflation
 Causes, 137-8
 Dangers, 138-9
 Employment, 138
 Gross national production, 138, 139
 Solutions proposed, 139-40
 Tight money, 139-40
 Senate, safeguard to existence of Confederation, 137
- Library of Parliament**
 Desrochers, Felix, General Librarian, retirement, 34
 Hardy, F. A., Parliamentary Librarian, 34, 451
 Joint Committee, Senate members, 8, 17; Commons members, 74
 Report of Parliamentary Librarian, 4, 8, 34
 Sylvestre, Guy, Associate Parliamentary Librarian, appointment, 34
- Life Underwriters Association of Canada bill**, 1r, 46; 2r, 61-62; ref to com, 62; rep of com-3r, 87; r.a., 447
- London and Midland General Insurance Company**—*See* Progressive Insurance Company of Canada bill
- Low, Solon E., M.P.**, Leader of the Social Credit Party—Speech at unveiling of Sir Robert Borden statue, 14
- Macdonald, the late Hon. Angus L.**, literary talent, 264
- Macdonald, Hon. W. Ross, P.C.**, Solicitor General and Leader of the Government in the Senate
 Address in reply to Speech from the Throne, 37-43
 Appropriation bills
 No. 1, 109, 110, 111, 112, 122
 No. 2, 419-20, 427-8, 429
 No. 3, 449, 452
 No. 4, 573-4
 No. 5, 574-5
 Aseltine, Hon. Mr., long service on Divorce Committee, 38
 Athlone, the late Earl of, former Governor General of Canada, tribute to, 26
 Baptist Convention of Ontario and Quebec bill, 434
 British Columbia, legislative experience of senators from, 37
 Buffalo and Fort Erie Public Bridge Company bill, 464-8
 Financial statistics, 465-6
 History of legislation, 464-5
 International control of bridge, 467
 Canadian representation on Board, 466, 467, 468
 Tolls, 467
 Canada Council bill, 40-41, 239-41, 300-1
 Distribution of funds, 301
 Endowment fund for universities, scholarships, awards, loans, 240, 301
 Gifts to Council, income tax exemption, 241
 National effort, non-political, 301
 Purpose of bill, 240, 300-1
 UNESCO, relation to, 240
 University grants, 40-41, 240-1, 301
 Canada's foreign policy, 457-8, 459, 460
 Secretary of State for External Affairs, proposed invitation to speak in Senate, 458
 Canada-Netherlands Income Tax Agreement bill, 569-72
 Corporation tax, 569, 570, 571, 572
 Provincial income tax not affected, 569
 Canada-South Africa Death Duties Agreement bill, 572-3

Macdonald, Hon. W. Ross, P.C.—Continued

- Canada-South Africa Income Tax Agreement bill, 572
- Canadian Pacific Railway and diesel firemen—Report of Conciliation Board tabled, 5; Order in Council appointing Commission of Inquiry, tabled, 37
- Curling, Dominion championships, tribute to competing rinks, 352
- Currency, Mint and Exchange Fund bill, 332, 343
- Daigle, the late Hon. Armand, tribute to, 336
- Divorce
 - Committee, work of, 38, 394-5, 456
 - Rules, amendments, 69
 - Statistics, inquiry answered, 370-1
- Duffus, Hon. J. J.
 - Absence during two sessions referred to Committee on Orders and Privileges, 18-19; Order of reference rescinded, 146
 - Death of, tribute, 147
- Economic conditions, 41-42
- Capital expenditure, 42
- Foreign trade, expansion, 41
- Gross national product, 41, 42
- Wheat sales, 41
- Economic Prospects, report of Royal Commission, 19, 42; tabled, 19
- Education, proposal for study of problems by committee, 429
- Estimates
 - Consideration by Finance Committee, 429
 - Interim supply, undertaking that passage will not preclude later discussion of estimates, 449, 574
 - Money bills, powers of Senate respecting, 427-9
- Exchequer Court bill—Registrar, salary and residence, 332, 333
- Export Credits Insurance bill, 348
- Feed grains, western, freight assistance, 109
- Fertilizers bill, 419, 442
- Fraser River Basin, report of Board, inquiry, 51
- Government Property Traffic bill, 387, 388
- Haig, Hon. Mr., Leader of the Opposition in the Senate, stand taken on Senate reform at Progressive Conservative Convention, 38
- Hospital Insurance and Diagnostic Services bill, 546-52, 554-8
 - Administration of scheme, 554
 - Blue Cross and other voluntary plans, 550-1, 555-6
 - Cost, estimated, to federal Government, 548, 549; to provinces, 549, 550-1; formula for federal-provincial sharing of costs, 546, 547, 548-9
 - Federal-provincial agreements, 546, 548
 - Universal coverage, 546, 548
 - Means test, practical difficulties, 556
- Hungarian refugees, transportation and other assistance, 110

Macdonald, Hon. W. Ross, P.C.—Continued

- Inflation, threat of, 41, 42
- Internal Economy and Contingent Accounts Committee—quorum, 26; reports, 215-18, 389
- Judges bill—Salaries, Ontario county court judges, 518
- Land use, special committee, 39-40; notice of motion for appointment, 75; appointment, 88-91
 - Maritime problems, 39-40
 - Prime Minister, speech quoted, 89-90
 - Problem, provincial and national aspects, 90
 - Senate study, importance of, 91
 - Trend away from farms, 89, 90
- Legislative measures, delay in receipt from House of Commons, 38
- Library of Parliament, Joint Committee, Senate members, 17
- Maritime provinces
 - Economic conditions, references in report of Royal Commission on Canada's Economic Prospects, 39-40
 - Eminent men, natives of, 40
- McIntyre, the late Hon. James P., tribute to, 499
- Middle East, inquiry, 359; answer, 522, 523-45
- Ministers from Commons, right to speak in Senate, 457-9, 460; instances of procedure, 458
- Mollet, His Excellency Guy, Prime Minister of France, visit to Parliament, 225; motion to place address on record, 294
- Municipal Grants bill, 406-7, 408, 413, 415-16
 - Assessment of federal properties, 416
 - Crown companies property, 416
 - Formula, amendment, 406, 413
 - Grants made since inception of program, 413. *See* 110
 - Ottawa, application of act to, 406, 416
 - Special cases, 416
- Narcotic Control bill, 5, 39
 - Senate Committee (1955) on traffic in narcotic drugs, 39
- National Film Board, moving of equipment Ottawa to Montreal, inquiry, 358; answer, 370
- Newfoundland, taxes collected, answer to inquiry, 419
- Pacific Great Eastern Railway, rumoured offer to purchase by Canadian National Railways, inquiry, 224; answer, 279
- Pacific Salmon Fisheries Convention bill, 378-9
- Prince Philip—Duke of Edinburgh created a Prince of the United Kingdom, 258. *See* 419
- Prairie Farm Assistance bill, 504-5
- Printing of Parliament, Joint Committee, Senate members, 16

Macdonald, Hon. W. Ross, P.C.—Continued

- Prisons and Reformatories bill, 397, 400-2, 405
- Haney, British Columbia, new penal institution, 397
- Rehabilitation of offenders, 400
- Remission service, Fauteux Committee, recommendations, 402
- Ticket of leave, releases on, 401
- Queen Elizabeth Hotel, Montreal, rental to Hilton Hotels Company, 224-5
- Restaurant of Parliament, Joint Committee, Senate members, 16-17
- Robertson, Hon. Wishart McL., Speaker, welcome on return to Chair, 335; tribute to, 575
- Roebuck, Hon. Arthur W., artist of unusual ability, 300
- Royal Commission, status of members, 378-9
- Selection Committee, appointment, 16
- Senate
 - Business, 103, 522, 568, 569, 573, 575-6
 - Chamber
 - Air conditioning, acoustics, carpet, galleries, lighting, paintings, windows, woodwork, 215-18
 - Presence of strangers during luncheon recess, 561
 - Emergency sittings, authority to convene, 4
 - Prayers, reference to the Prince Philip, 419
 - Rules, suspension, relating to private bills, 434; public bills, 370
 - Stationery
 - Inquiry answered, 165-6, 178-93, 194-5, 196-7
 - Internal Economy Committee, subcommittee on stationery, date of meeting, 239, 279, 350, 369
 - Letterheads and envelopes for bilingual senators, 519
 - Work, 38, 39, 394-5
 - Lack of publicity in press, 364
 - Standing committees, distribution among, 394-5
 - Members, selection of, 395
- Stratford Shakespearean Festival Foundation of Canada, grant for construction of permanent theatre, 429
- Suez Canal, loan to assist in clearing, 111-12, 122
- Territorial Lands bill, 302
- Trade, foreign, expansion, 41
- Traffic accidents, highway, railway and air, inquiry, 351 answer, 371
- United Nations Organization and world peace, 122
- United States, friendly relations with Canada, 122

82719—39½

Macdonald, Hon. W. Ross, P.C.—Concluded

- Universities
 - Grants, 40-41, 110
 - Proposed free time on C.B.C. for telecasts, 436
- Wabana airstrip, Newfoundland, inquiry, 51; answer, 225
- Wheat sales, 41

MacKinnon, Hon. James A., P.C.

- Eastern Rocky Mountain Forest Conservation bill, 306-7, 308, 309
- Amendments to federal-provincial agreement, 306, 307
- Conservation board, purpose and function, 306

Manitoba

- Churchill, shipping facilities, 132, 158-9, 200
- Hospital insurance and diagnostic services
 - estimates of costs and federal contributions, 548, 549, 550, 551
- Riding Mountain national park, 287
- University, 32, 113, 242, 243
- Wheat marketing, 234

Marcotte, Hon. Arthur

- Agricultural Products Marketing bill, 564-5
- Delegation of powers unconstitutional, 564
- Amateur billiards champion of Canada, 352
- Canadian Farm Loan bill, 356-7
- Daigle, the late Hon. Armand, tribute to, 337
- Dominion Curling Championships, 352
- Gardiner, Right Hon. James G., Minister of Agriculture, tribute to, 564-5
- Senate
 - Business, 575-6
 - Opposition too small, 365
 - Publicity in press, 365

Margarine, 508-9

- Colouring, 509
- Quebec, sale of butter substitute, 508
- Sales tax, 508
- Use in Newfoundland, 509

Maritime provinces

- Economic conditions, references in report of Royal Commission on Canada's Economic Prospects, 39-40, 57-58, 134-6, 151-2
- Eminent men, natives of, 40, 101
- Freight assistance, 119-20
- Inflation, none in, 250
- Land use, problems, 39-40, 59-60, 94
- Tourist attractions, 58, 60-61, 284-5, 288, 291
- Universities, 94, 100-1, 114, 117, 120-1, 259, 295, 296-7, 298
- See New Brunswick, Nova Scotia, Prince Edward Island

- Martin, Hon. Paul, P.C., M.P.**, Minister of National Health and Welfare
Efforts in field of economic and social co-operation, 484
Sponsorship of hospital insurance legislation, 552, 553
- McConnell, J. W.**, gift to University of New Brunswick, 298
- McDonald, Hon. John A.**
Alliance Nationale bill, 269
Feed grain, western, freight assistance, 116-17
Fertilizers bill, 437-9, 441-2
Domestic use of fertilizers, 437
Important factor in increased productivity of soil, 437
Penalties, 439
Potash, production in Saskatchewan, 437-8
Registration of fertilizers, 438
Kings Mutual Insurance Company bill, 147, 221-2, 269
Incorporation under Canadian and British Insurance Companies Act, 222
Land Use, Special Committee on, 90, 94, 443
Maritimes, problems, 94
Report, 443
Salvation Army, Governing Councils bill, 269
University grants, distribution, 117
- McIntyre, Hon. J. P.**
Death of—tributes, 499-501
Duffus, the late Hon. J. J., tribute to, 149
Suez Canal, loan to help finance clearing, 112
- McKeen, Hon. Stanley S.**
Alaska-Yukon Pipelines Ltd. bill, 74, 106-8
All-Canadian company, 107
Refinery at seaboard in Alaska, 107
Royal Canadian Mounted Police schooner *St. Roch*, first vessel to navigate Northwest Passage in both directions, 106
Trans Mountain Oil Pipe Line Company bill, 46, 66
- McLean, Hon. A. Neil**
Address in reply to Speech from the Throne, 249-54
Gross national product, 253, 254
Inflation—cure, greater productivity, 250, 251; means of control, 253
Interest rates, 249-50, 252, 253, 254
Bank of Canada, 252, 253
Tight money, 252, 254
Trade deficit, 249, 250, 252
United States
Canadian borrowings in, 250-1, 252, 253, 254
Currency, discount on, 252
Investments in Canadian industry, 251
- Meighen, Right Hon. Arthur, P.C.**—letter to Prime Minister, read at unveiling of Sir Robert Borden statue, 12
- Merchant Seamen Compensation bill.** 1r, 335; 2r, 431-3; 3r, 437; r.a., 447
- Middle East**
British-French action, 28, 48-49, 78-79
Difficulties not solved, 28, 313
Egypt, 471; restrictions on Israeli shipping, 483-4
Inquiry, Suez Canal and Israel and Egypt and actions of United Nations, 359; answer, 522, 523-45
Israel, conditions of withdrawal from Gaza Strip, 471-2
Russian arms, build-up, 48
United Nations Emergency Force, 1, 313
United States policy, 49, 471, 472
- Mineral resources,** 202; exhaustion of some, 202
- Ministry, the,** according to precedence (as at April 12, 1957), iii-iv
- Miscellaneous Private Bills Committee**
Appointment, 9; quorum, 26; reports, 146, 269, 358
- Mollet, His Excellency Guy,** Prime Minister of France, visit to Parliament, 225; address to members of both houses, 311-15
- Molson, Hon. H. de M.**
Senate chamber, air conditioning, 218
- Money bills,** powers of Senate respecting, 421-9
- Montreal North Businessmen's Association,** delegation in Senate galleries, 331
- Municipal Grants bill.** 1r, 330; 2r, 406-16; ref to com, 416; rep of com, 435; 3r, 445; r.a., 447
- Municipalities**
Administration costs in small areas, 157-8
Grants in lieu of taxes on federal property, 2, 110, 113, 406-16
Formula, amendment of, 406, 413
Payments since inception of program, 413
Loans for sewers and public works, 47
- Narcotic Control bill.** 1r, 5; 2r, 317-22; ref to com, 323; rep of com, 330; amtds concurred in-3r, 348
- Narcotic drug traffic,** special committee (1955), 39, 318, 319, 320, 322

- National Film Board**—moving of equipment
Ottawa to Montreal, inquiry, 358;
answer, 370
- National Museum of Canada**, proposed divi-
sion into two museums, 2
- National parks**, 282
Fundy, New Brunswick, 291
Prince Albert, Saskatchewan, 283-4
Prince Edward Island, 285
Riding Mountain, Manitoba, 287
Waterton, Alberta, 286
- NATO** (North Atlantic Treaty Organization)
Interparliamentary Conference, Paris, 105
Canadian delegation, 105
Keystone of defence, 1
Parliamentary Associations, 105
Robertson, Hon. Wishart McL., Speaker,
work on behalf of, 106, 134
- Natural Resources Committee**
Appointment, 9; quorum, 26; report, 443
- Netherlands**—See Canada-Netherlands In-
come Tax Agreement bill, 569-72
- New Brunswick**
Hospital insurance and diagnostic services
—estimates of costs and federal con-
tributions, 548, 549, 550, 551
Mount Allison University
Round table discussion on farm problems,
94
Summer School of Arts, 259, 295
Tourist attractions
Fundy National Park, 291
Magnetic Hill, Moncton, 291
Salmon fishing, 291
University, 296-7, 298
- Newfoundland**
Fishing industry, 135-6
Hospital insurance and diagnostic services,
plan accepted, 547; estimates of costs
and federal contributions, 548, 549, 550,
551, 554
Margarine, use in, 509
Memorial University, 120-1
Taxes collected in, 350, 359, 419
Transportation problems, 135
Wabana airstrip, 51, 88, 128, 225
- Newsprint**, production costs, 249
- New Westminster harbour**, 305
- North Waterloo Farmers Mutual Insurance
Company bill**. 1r, 269; 2r, 305-6; ref
to com, 306; rep of com-3r, 350; r.a.,
455
- Nova Scotia**
Economic prospects, Royal Commission,
preliminary report, 151-4
Halifax, shortage of port facilities, 101-2,
152-3
Hospital insurance and diagnostic services
—estimates of costs and federal con-
tributions, 548, 549, 550, 551
Scenic attractions, 288
University grants, 100-1
- Oblate Fathers of Assumption Province bill**.
1r, 51; 2r, 85; ref to com, 85; rep of
com-3r, 146; refund of fees, 258; Com-
mons amdts concurred in, 278; r.a., 447
- Ontario**
Hospital insurance and diagnostic services
—plan accepted, 547; estimates of costs
and federal contributions, 548, 549, 550,
551
Rehabilitation of drug addicts, 318
Tourist attractions, 289, 290
- Orders and Privileges Committee**, 3
Absence of Hon. J. J. Duffus during two
sessions referred to, 18; order of refer-
ence rescinded, 146
- Ottawa**
Federal-municipal relations, 415
Lack of concert hall, 275
Municipal Grants Act, application to, 406,
416
Benefits from status of national capital,
410
Expenditure of grants, 415
Tourist attractions, 289, 290
Natural beauty and architectural loveliness,
289
Parliament Buildings, 290
- Pacific Fur Seals Convention bill**. 1r, 501;
2r, 501-3; 3r, 503; r.a., 578
- Pacific Great Eastern Railway**, rumoured
offer to purchase by Canadian National
Railways, inquiry, 224; answer, 279
- Pacific Salmon Fisheries Convention bill**. 1r,
368; 2r, 371-9; 3r, 397; r.a., 447
- Pakistan**, Canadian diplomatic service in, 84
- Parliament**
Opening, 1; Speech from the Throne, 1-3
Prorogation, 573; Speech from the Throne,
578-80
- Parliamentary assistants** (as at April 12, 1957),
iv

Paterson, Hon. Norman McL.

- Hospital Insurance and Diagnostic Services bill, 554
- Senate chamber, poor acoustics, 7

Pearson, Hon. Lester B., P.C., M.P., Secretary

- of State for External Affairs, 116, 118, 119, 122, 133, 470, 482, 483
- Outstanding role at United Nations, 470
- Proposed invitation to discuss resolution in Senate, 457-60

Pères Oblats de l'Immaculée Conception bill.

- 1r, 258; 2r, 291-3; ref to com, 293; rep of com, 330; amdts concurred in, 357; 3r, 367; r.a., 455

Pipe lines

- Alaska-Yukon Pipelines Ltd. bill, 74, 106-8
- Trans-Canada Pipe Lines Limited, 160-1
- Trans Mountain Oil Pipe Line Company bill, 46, 66, 87

Potatoes, exports to and imports from United States, 201, 510, 511, 512**Pouliot, Hon. Jean-François**

- Address in reply to Speech from the Throne, 167-74
- Appropriation bills:
 - No. 2, 422-4, 428
 - No. 3, 449-50, 451-2
- Canadian Council bill, 270-6, 325-6
- Art galleries, organizations and schools, principal Canadian institutions, 274
- David, the late Hon. Athanase, founding of *le prix David*, 273-4
- Education
 - Quebec colleges, accomplishments, 270-1
 - Professors' devotion to education of youth, 270-1
 - Provincial responsibility, 271, 272, 274, 326
 - Scholarships, 272, 273-5
- Funds, distribution, 272, 274
- Parliamentary supervision, 272
- Ottawa, lack of concert hall, 275
- Canadian Broadcasting Corporation, program criticized, 449-50
- Civil Service
 - Crown companies, employees are civil servants, 450
 - Outstanding civil servants, 450-1
 - Parliamentary control, 450
- Civil Service Administration Committee, proper body for consideration of positions, reclassifications, promotions, etc., 174
- Daigle, the late Hon. Armand, tribute to, 337

Pouliot, Hon. Jean-François—Continued

- Divorce statistics, inquiry, 351; answer, 370-1
- Export Credits Insurance bill, 348
- Flag, national, 463, 498, 519-22
- Imperialist and colonial, terms distinguished, 522
- Newspaper report, question of privilege, 498
- Proposed design, 519; other suggested designs, 519-21
- Red Ensign, 463, 498, 520-1
- Freedom of speech, 450
- Government Property Traffic bill, 344-5, 383-5
- Rights, privileges and immunities of members of Parliament, 383-4
- Hungarian refugees, 170
- King George V., the late, visit to Quebec when Duke of York, 270
- McIntyre, the late Hon. J. P., tribute to, 500-1
- Ministers from Commons, right to explain legislation in Senate, 385
- Money bills, Senate powers respecting, 423
- Municipal Grants bill, newspaper report, privilege, 454-5
- Nuns, Canadian, interned in Japan, 170
- Pères Oblats de l'Immaculée Conception bill, 293
- Prime Ministers of Canada and United Kingdom, conference in Bermuda, 423
- Prince Philip, reference to in House of Commons prayers, 418
- Roebuck, Hon. Arthur W., birthday felicitations, 289
- Royal Canadian Mounted Police bill, 325
- Senate
 - Chamber—acoustics, 167; improvements, 26, 167, 168, 215, 217-18, 423-4; paintings, 168; rug, 423; windows, 168, 423; Woolsack, removal of, 167, 423
 - Clerk and Clerk Assistant, 450-1
 - Divorce Committee, 390; suggested reduction in number of annual hearings, 391
 - Internal Economy Committee, 168-9
 - Postmark, 424
 - Reform, responsibility of Senate itself, 424
- Stationery
 - Appropriation—limitation on supplies to senators, 169-70, 171-2, 173
 - Emblems on letter-head, 463-4
 - Inquiries and answers, 46, 74, 103, 165-6; 124, 194, 195; 128, 166; 166, 178-93
 - Internal Economy Committee, inquiry as to meeting, 239, 279, 350, 369; Subcommittee on Stationery, 165-6, 168-9, 170, 171; annual reports tabled, 196-7
 - Letter-heads and envelopes for bilingual senators, 519

- Pouliot, Hon. Jean-François—Concluded**
 Senate—*Concluded*
 Work
 Motion proposing reduction in membership of standing committees in order to distribute work evenly among senators, 389-94; motion withdrawn, 397; seconding of motion, 404
 Press publicity inadequate, 393
 Suez Canal, loan to help finance clearing, 111
 Traffic accidents
 Highway, railway and air, inquiry, 351; answer, 371
 Study by Senate would be of great service, 390-1
 Union Jack and Red Ensign, 463, 498
 Universities
 Grants to, 170-1
 Motion proposing free time on C.B.C. for weekly telecasts, 435-6, 461-4; motion withdrawn, 464
- Power, Hon. C. G., P.C.**
 Excise Tax bill, 507
 Land Use, Special Committee
 Quorum, 127; authority to print proceedings, 127
 Reports, 127, 443
 Quebec Savings Banks bill, 124-6
 Cash reserves, 125
 Foreign currency deposits, 125
 Investments in securities, 125
- Prairie Farm Assistance bill.** 1r-2r, 497; 3r, 503-5; r.a., 578
- Prairie Grain Producers Interim Financing bill.** 1r, 486; 2r-3r, 486-7; r.a., 578
- Pratt, Hon. Calvert C.**
 Address in reply to Speech from the Throne, 133-6
 Economic Prospects, Royal Commission, preliminary report, 134-6, 155
 Atlantic provinces, references to, 134-6; hearings in, 135, 155
 Export Credits Insurance bill, 359-62
 Export Credits Insurance Corporation, importance and potential usefulness, 359
 Corporation tax, exemption suggested, 360-1
 Exports to United States, 361-2
 Newfoundland
 Fishing industry, 135-6
 Memorial University, 120-1
 Taxes collected, inquiry, 350; answer, 419
 Transportation problems, 135
 Wabana airstrip, inquiry, 51, 88, 128; answer, 225
- Pratt, Hon. Calvert C.—Concluded**
 Robertson, Hon. Wishart McL., Speaker, work on behalf of NATO, 134
 UNESCO, conference in New Delhi, India, 134
 University grants, 120-1
- Press, the**
 Calgary Albertan, price of natural gas, 160-1
 Financial Post, dangers from Soviet industrial power, 49-50
 Globe and Mail, Canada Council, establishment and responsibilities, 244
 Halifax Chronicle-Herald, Royal Commission on Canada's Economic prospects, 58; university grants, 100-1
 Montreal Gazette, grain shipping, Montreal and Churchill, 159; Canada's role in Middle East, 470
 New York Herald Tribune, United States policy in Middle East, 49
 New York Times, Soviet aggression, 49; influence of Secretary of State for External Affairs in Middle East, 470
 Ottawa Journal, Canada's role in Middle East, 470
 Parliamentary Press Gallery, reporting of Senate debates, 52-53, 361, 362-3, 364, 365, 393
 Regina Leader-Post, extension of Wheat Board's activities, 200
 Toronto Star, university education for high school students, 56
 Toronto Telegram, St. Lawrence Seaway, tolls, 162-3
 Vancouver Province, build-up of Russian arms in Egypt and Syria, 48
 Winnipeg Free Press, inflation, 28
- Prime Minister—See St. Laurent, Right Hon. Louis S.**
- Prince Edward Island**
 Commercial achievements, 221
 Ferry between Wood Islands and Nova Scotia, construction of, 111
 Freight rates, 219-20
 Hospital insurance and diagnostic services, estimates of costs and federal contributions, 548, 549, 550, 551
 Population, 219, 220
 Potatoes, 220
 Tourist attractions, 284-5
 Accommodation, fishing, National Park, 60-61, 285
- Prince Philip, His Royal Highness the**
 Style and dignity of a Prince of the United Kingdom conferred on Duke of Edinburgh, 258; reference to by new title in Senate and House of Commons prayers, 418, 419

Printing of Parliament

Joint Committee—Senate members, 8, 16;
Commons members, 74

Prisons and Reformatories bill. 1r, 335; 2r,
397-402; 3r, 405; r.a., 578

Privy Council, principal officers, iv

**Progressive Insurance Company of Canada
bill.** 1r, 369; 2r, 416-17; ref to com, 417;
rep of com-3r, 435; r.a., 578

Provinces

Freight assistance on western feed grains
(1941-56), 129-30

Revenue from motor vehicle licenses and
gasoline taxes, 23

Public Buildings and Grounds Committee

Appointment, 10; quorum, 26

Public Health and Welfare Committee

Appointment, 10; quorum, 26

Quebec

Butter substitute, sale of, 508

Colleges, accomplishments, 262, 270-1

Farm census (1951), 21

Farm land conditions, 21

Hospital insurance and diagnostic services
—estimates of costs and federal con-
tributions, 548, 549, 550, 551

Provincial responsibility in education up-
held, 243

Tourist attractions, 282

Universities, 32, 40-41, 262, 270-1

Quebec Savings Banks bill. 1r, 75; 2r, 124-6;
ref to com, 126; rep of com, 145-6;
amds concurred in-3r, 164; r.a., 447

Queen Elizabeth Hotel, Montreal

Capital expenditures, 514

Rental to Hilton Hotels Company, inquiry
and answer, 224

Quinn, Hon. Felix P., Chief Opposition Whip

Address in reply to Speech from the
Throne, 100-2

Canada Shipping bill, 303

Canadian National Railways Financing and
Guarantee bill, 514

Fertilizers bill, 439

Halifax, shortage of port facilities, 101-2

McIntyre, the late Hon. J. P., tribute to,
499-500

Municipal Grants bill, 406, 411

Prairie Grain Producers Interim Financing
bill, 487

Suez Canal, loan to help finance clearing,
110, 113

University grants, 100-1

Equitable method of distribution needed,
100

Maritimes, 100-1

Railways**Canadian National Railways**

Financing and Guarantee bill, 497-8, 513-
18, 519, 578

Capital expenditures, 513-14, 515

Compared with those of Canadian
Pacific Railway, 513-14

Considered against background of
general economic situation, 517

Equipment, 514

Dieselization of motive power, 514

Financing of, 515

Hotels, 514

Queen Elizabeth Hotel, Montreal,
514

Operating surplus, 515

Touche, George A. & Co., Auditors,
516

War Veterans' Association bill, refund of
fees, 19

Canadian Pacific Railway

Capital expenditures, 513-14

Diesel firemen, conciliation board report
tabled, 5

Strike, 2, 27, 37

Order in Council appointing Com-
mission of Inquiry tabled, 37

Net earnings, 515

Subsidiary companies, bill respecting, 51,
66-67, 87, 447

Freight rates

Crowsnest Pass agreement, 34, 128

Maritimes, 58, 153-4, 219-20

Pacific Great Eastern Railway, rumoured
offer to purchase by Canadian National
Railways, inquiry, 224; answer, 279

Railways bill (pro forma). 1r, 3

Red Ensign, 463, 498, 520-1

See Flag, national

Reid, Hon. Thomas

Address in reply to Speech from the
Throne, 46-50

Australia, success at Olympic games, 47

British Columbia, disabilities under Wheat
Board regulations, 200-5, 237

Canada Council bill, 47, 246, 301

Canada Shipping bill, 302, 303

Canadian Wheat Board, 128, 129

Powers, 200, 201, 202-4

Stoppage of shipments between British
Columbian points via U.S. highway,
202-4

Currency, Mint and Exchange Fund bill,
332

Crowsnest Pass freight rates, 128

Divorce rules, new, 70, 71, 72

Duffus, Hon. J. J., absence during two
sessions, question of privilege, 18

Economic Prospects, Royal Commission pre-
liminary report, 155

Europe, projected free-trade area, 50

Reid, Hon. Thomas—Continued

- Exchequer Court bill—Registrar, residence, 332, 333
- Feed grain shipments—freight assistance, 128; to provinces (1941-56), 129-30
- Fraser River Basin, report of board, inquiry, 51
- Government Property Traffic bill, 344, 366-7
- Violations on Parliament Hill, 366-7
- Voluntary payment of fines, 366
- Hungary, conditions in, 48; refugees from, 48
- Immigrants from the United Kingdom, generous policy recommended, 48
- Imports of agricultural products from United States, 201
- Land use
- Agricultural and mineral resources, 202
 - Migration of farm labourers to cities, 131
- Middle East
- British-French action, 48-49
 - Russian arms, build-up, 48
 - Suez Canal question, suggested consideration by External Relations Committee, 359
 - United States policy, 49-50
- Municipal Grants bill, 407-8, 410, 415
- Alberta, provincial dividend, 407-8
 - Assessment of property in British Columbia, 407, 408
 - Hospitals, larger grants needed, 408
 - Sewers and public works, suggested low-interest loans for construction, 47
- Narcotic Control bill, 317-23
- Drug addiction problem, 318; free drugs not solution, 318, 319
 - Importation, 319, 320
 - Trafficking, 319
- History-making legislation, 317
- Penalties for offences, 319-20
- Special Committee (1955), recommendations, 317, 318, 319
- Narcotic Drugs, Special Committee on Traffic in (1955)—commended on work as Chairman, 320
- New Westminster harbour, 305
- Pacific Great Eastern Railway, rumoured offer to purchase by Canadian National Railways, inquiry, 224; answer, 279
- Pacific Salmon Fisheries Convention bill, 371-9, 397
- Aluminium Limited, 377
 - British Columbia Electric Company, 377, 378
 - Fraser River salmon 372, 374, 375, 377, 378
 - Dams, effect on salmon, 376, 377
 - Gordon Commission, preliminary report, 377, 378, 379
 - International Pacific Salmon Fisheries Commission, 373, 374, 375, 376
 - Sockeye Salmon treaty with United States extended to cover Pink salmon, 46, 371-9, 397

Reid, Hon. Thomas—Concluded

- Physical training of youth, national safeguard, 47
- Prisons and Reformatories bill, 400, 401
- Quebec Savings Banks bill, 145
- Royal Canadian Mounted Police bill, 324
- Russia
- Embassy in Ottawa, distribution of literature, 49
 - Industrial delegations, 49
 - International policy, 48-50
- Senate chamber, cost of renovations, 215
- Suez Canal, loan to help finance clearing, 111, 112
- Transport Commissioners, Board of, 129, 130, 131
- University grants, federal, 47
- British Columbia, funds for fishery biologists, 47
- Windsor Harbour Commissioners bill, 305
- Remission Service**, Department of Justice
- Fauteux Committee report, 397-8, 399-400, 402
 - Recommendations, 399, 400, 402

Restaurant of Parliament

- Joint Committee—Senate members, 8, 16-17; Commons members, 74

Robertson, Hon. Wishart McL., P.C., Speaker

- Address in reply to Speech from the Throne, message of thanks from His Excellency the Governor General, 368
- Borden, Sir Robert, statue, speech at unveiling ceremony, 10
- Budget Speech, accommodation for senators in Commons gallery, 335
- Duffus, Hon. J. J., absence during two sessions, report of Clerk of Senate, 18
- Library of Parliament, Joint Committee, Commons members, 74
- NATO, Honorary President, 106
- Printing of Parliament, Joint Committee, Commons members, 74
- Restaurant of Parliament, Joint Committee, Commons members, 74
- Royal Assent, notice, 443, 449
- Rulings and statements
- House of Commons debates, reference to out of order, 418, 557
 - Motion, seconding of, 404
- Senators, new, welcome to, 18
- Tributes to as Speaker, 575
- Welcome on return to Chair, 335

Roebuck, Hon. Arthur W.

- Alliance Nationale bill, 223
- Baptist Convention of Ontario and Quebec bill, 418, 433-4
- Birthday felicitations, 279, 282, 289

Roebuck, Hon. Arthur W.—Continued

- Canada Council bill, 246-7, 265, 338-41
- Council not responsible, 339
- Distribution of funds, 246, 247, 265
- “Artificial stimulation” of the arts, risk of, 246-7
- Parliamentary supervision desirable, 246-7, 339, 340, 341
- Education, provincial and municipal responsibility, 247, 265
- Favouritism, danger of, 339
- Canada Shipping bill, 303
- Divorce
 - Committee
 - Authority to sit during adjournments and to appoint subcommittees, 15; quorum, 15
 - Costs of processing petitions, 70-72, 213
 - Work of, 210, 211
 - Petitions withdrawn, 15, 16, 87-88
 - Reports, 4, 15, 16, 35, 44-45, 46, 50, 51, 61, 63, 66, 67-73, 74, 85, 87-88, 102, 103, 108, 122-3, 126, 144, 146, 164, 165, 213, 239, 258, 268, 277, 278, 294, 306, 368, 389, 404, 418, 429, 431, 433, 442, 443
 - Rules
 - Amendments, 35-37, 44-45, 67-73, 209-13
 - Co-respondent, naming of and service upon, 35, 68-69, 71, 211-12
 - Statement of facts by parties, 67, 211
 - Statistics, 15, 214, 368
 - Duffus, the late Hon. J. J., tribute to, 149
 - Eastern Rocky Mountain Forest Conservation bill, 308, 309
 - Fertilizers bill, 439, 440, 442, 443. *See* 445
 - Fraudulent sales, prohibition of, 439, 440
 - Government Property Traffic bill, 379-83, 385
 - Rights, privileges and immunities of members of Parliament, 379, 380-3, 385, 386
 - Land Use, special committee, 91, 98, 99
 - Land value in cities and towns, 99
 - Problem, importance of, 98
 - Broad inquiry desirable, 98
 - Life Underwriters Association of Canada bill, 46, 61-62
 - Money bills, powers of Senate respecting, 424-5, 427
 - Opening of Parliament, disturbance during
 - Speech from the Throne, 5-6, 7
 - Royal Canadian Mounted Police bill, 323-5
 - Right of action by or against Crown, 323-4, 325
 - Quebec Savings Banks bill, 125, 145-6
 - Senate chamber, unfinished galleries, 217, 218
 - Tourist traffic, 289-90
 - Isnor, Hon. G. B., Chairman of committee, tribute to, 290
 - Ontario, tourist attractions, 289
 - Travel by Canadians in Canada, 289
 - United States tourists, 290

Roebuck, Hon. Arthur W.—Concluded

- Suez Canal, loan to help finance clearing, 111, 116
- Israel, action commended, 116
- Tributes to, as artist of unusual ability, 297, 300
- Royal Assent**, 144, 445-8, 455, 576-8
 - Notice, 127, 443, 449
- Royal Canadian Mounted Police bill**. 1r, 5; 2r, 323-5; 3r, 331; r.a., 578
- Royal Commission**, status of members, 378-9
- Russia**
 - Defiance of United Nations, 116
 - Embassy in Ottawa, distribution of literature, 49
 - Fishing fleet, 135
 - Industrial delegations to Canada, 49
 - International policy, 48-50
 - Middle East, build-up of arms, 48
- St. Laurent, Right Hon. Louis S., P.C., M.P.**, Prime Minister
 - Bermuda conference with Prime Minister of United Kingdom, 423
 - Borden, Sir Robert, statue, speech at unveiling ceremony, 11-12
 - Canada Council, interest in, 244
 - Commonwealth and other conferences, role at, 483
 - Felicitations, 75th birthday, 104
 - Land use, speech quoted, 89-90
 - Mollet, His Excellency Guy, Prime Minister of France, address of welcome to, 310-11
- St. Lawrence Seaway**
 - Project, initiator of, 304, 305
 - Tolls, 162-3
- St. Roch**, Royal Canadian Mounted Police schooner, first vessel to navigate Northwest Passage in both directions, 106
- Salvation Army, Governing Councils bill**. 1r, 197; 2r, 254-5; ref to com, 255; rep of com-3r, 269; r.a., 447
- Saskatchewan**
 - Farm produce, 158
 - Freight rates, 162
 - Hospital insurance and diagnostic services
 - plan accepted, 547; estimates of costs and federal contributions, 548, 549, 550, 551
 - Potash production, 437-8
 - Prince Albert national park, 283-4
- Scholarships**, 259-60, 264, 296; international, 260

- Secretary of State for External Affairs—See**
Pearson, Hon. Lester B.
- Selection Committee**
Appointment, 3; reports, 4, 8-10, 16
- Senate**
Business, 103, 522, 568, 569, 573, 575-6
Chamber
Acoustics, 7, 167, 174, 175, 216, 218, 278
Air conditioning, 216-17
Carpet, 215, 216, 423
Cost of renovations, 215
Galleries, original plan uncompleted, 6, 216-18
Improvements, 26, 167, 168, 215-18, 423-4
Lighting, 215, 423
Paintings, 168, 216
Presence of strangers during luncheon recess, 561
Report of Subcommittee on Precincts, 215-18
Visitors, lack of proper accommodation at opening of Parliament, 6
Windows, 168, 215, 423
Woodwork, 215
Clerk, John Forbes MacNeill, Q.C., 450, 576
Clerk Assistant, Lieutenant Colonel Rodolphe Larose, 451
Committee of the Whole, 395-6
Committees
Discussions, right of every senator to participate in, 396
Distribution of work among, 389-94, 395
Membership, proposed reduction, 389, 392, 394, 424; selection of members, 395, 396, 397
Criticisms of, 52-53
Debate procedure, seconding of motion, 404
Divorce
Committee work, 38-39, 390, 391
Suggested reduction in number of annual hearings, 391
Rules, amended, 35-37, 44-45, 67-73, 141-3, 174-6, 205-8, 209-13
Emergency sittings, authority to convene, 4
Land use, qualified to make study of, 91, 93, 96
Ministers from Commons, right to speak in Senate, 385, 457, 458, 460
Money bills, powers respecting, 421-9
Non-political viewpoint on legislation, 364
Officers and chiefs of principal branches, xix
Opposition too small, 362-3, 364, 365
Prayers, reference to the Prince Philip, 419
Press publicity, 361, 362-3, 364, 365, 393
Public Relations committee suggested, 150-1
- Senate—Concluded**
Reform
Age limit for senators would not add to efficiency, 393
Provincial representation, 33, 151
Responsibility of Senate, 424
Stand taken by Leader of Opposition (Hon. Mr. Haig) at Progressive Conservative party convention, 33, 38
Role of, 33-34, 137
Rules
Motion, one seconder customary, 404
Suspension, private bills, 434; public bills, 370
Stationery
Appropriation, 169-70, 171-2, 173
Emblems on letter-head, 463-4
Inquiries, 46, 74, 103, 124, 128, 165, 166; answers, 165-6, 178-93, 194-5, 196-7
Letter-heads and envelopes for bilingual senators, 519
Limitation on supplies to senators, 169-70, 171-2, 173-4
Work, 38-39, 389-97
Motion proposing reduction in membership of standing committees in order to distribute work evenly among senators, 389-97; motion withdrawn, 397; seconding of motion, 404
- Senators**
As at prorogation—according to seniority, v-vii; alphabetically, ix-xi; by provinces, xiii-xvii
Deceased—tributes to:
Hon. Armand Daigle, 336-7
Hon. J. J. Duffus, 147-9
Hon. James P. McIntyre, 499-501
New—introduction and welcome, 18
- Smith, Hon. Donald**
Canada Council bill, 298-300
Allocation of funds, non-political, 298
Nova Scotia, cultural institutions, 299
Local history, recording of, 299
Private giving still necessary, 299
Scholarships, need for, 299-300
Encouragement of post-graduate studies, 299
Canada Shipping bill, 302-3
Safety regulations applicable to all ships, 302-3
Municipal Grants bill, 411
Pacific Fur Seals Convention bill, 501-3
Canadian interests
Effect of seals on Pacific fisheries, 502
Monetary share, 502
Territorial limits, extension of, 503
Provisions of convention, 502

Smith, Hon. Sydney J.

- Address in reply to Speech from the Throne, motion for seconded, 22-25
- Automobiles and trucks, licence fees and taxes, 23
- British Columbia
 - Beef imported from Texas, 237
 - Market for feed grain, 236-7
- Canadian Wheat Board bill, 236-7
 - Regulations against interprovincial shipment, 236-7
- Economic Prospects, Royal Commission, preliminary report, 23
- Hungarian refugees, assistance of, 24-25
- Introduction to Senate, 18
- Salmon fisheries, importance to British Columbia's economy, 24
 - "Pink Salmon Treaty" with United States, 23-24

South Africa

- See Canada-South Africa Death Duties Agreement bill, 572-3, 578
- Canada-South Africa Income Tax Agreement bill, 572, 578

Speaker, The

- See Robertson, Hon. Wishart McL., P.C.
- Acting Speakers:
 - Beaubien, Hon. Arthur L., 46, 51, 63, 109, 127, 145, 156, 258
 - Bouffard, Hon. Paul H., 165, 194
 - Dessureault, Hon. Jean-Marie, 269, 278
 - Hodges, Hon. Nancy, 214, 224, 239
 - Hugessen, Hon. Adrian K., 74, 87, 103
 - Vien, Hon. Thomas, P.C., 294, 316, 330

Speech from the Throne

- At opening of session, 1-3; at prorogation, 578-80
- See Address in reply

Stambaugh, Hon. J. Wesley

- Canadian Wheat Board bill, 203-4, 205, 236
 - Farmer's grain unit, 236
 - Sales permits to estates, 236
 - Shipments between British Columbian points, 204
- Excise Tax bill, 506, 507
- Feed grains, western, freight assistance, 121
- Hospital Insurance and Diagnostic Services bill, 552
- Land use, agricultural, 204
- Prairie Farm Assistance bill, 497, 504
 - Change in categories and rates of payment, 497
 - Payments under act
 - Amounts, 504
 - Farmers' contributions, 504
 - Method, 504
- Senate stationery, 170

Standing Orders Committee

- Appointment, 8; quorum, 26

Stratford Shakespearean Festival Foundation of Canada, grant for construction of permanent theatre, 427, 429**Subsidies**, 131-2, 136**Succession duties**—See Canada-South Africa Death Duties Agreement bill, 572-3, 578**Suez Canal**

- Loan to help finance clearing, 110, 111, 112, 114, 115, 116, 117-18, 119, 122, 131
- See Middle East

SUNFED (Special United Nations Fund for Economic Development), 475-6**Tariffs**, inequities, 154**Taxation**

- Canada-Netherlands Income Tax Agreement bill, 569-72, 578
- Canada-South Africa Death Duties Agreement bill, 572-3, 578
- Canada-South Africa Income Tax Agreement bill, 572, 578
- Corporation taxes, 30-31, 54
 - Small companies, graded tax suggested, 54
- Dominion Succession Duty bill, 495, 496-7, 503, 578
- Excise bill, 497, 512-13, 578
- Excise Tax bill, 497, 505-9, 578
- Exemption for gifts for educational purposes, 241, 242-3, 244, 245
- Export Credits Insurance Corporation, tax exemption suggested, 360-1
- Income Tax bill, 487-95, 578
- Motor vehicles and gasoline, 23
- Proposed study by committee to arrive at equitable basis, 420-1
- Sales and excise taxes, Newfoundland, 350

Taylor, Hon. Austin C.

- Agricultural Products Marketing bill, 558-61, 561-6
 - Farm organizations, tribute to work, 560
 - Marketing legislation, 558-60, 562, 563, 564
 - Offences, 561-2, 565
 - Production, progress in, 558, 562
 - Provincial boards: British Columbia, 558-9; New Brunswick, 559, 560, 563, 564; Ontario, 562; Quebec, 563
- Cabinet portfolio in agriculture, lengthy tenure, 562
- Customs Tariff bill, 511, 512
 - Potatoes, imports from and exports to United States, 511, 512

Taylor, Hon. Austin C.—Concluded

- Excise Tax bill, 509
- Co-operation between eastern and western farmers, 509
- Dairy industry, importance of, 509
- Margarine, colouring, 509
- Feed grains, western, freight assistance, 119-20
- Importance to Maritimes, 119-20
- Fertilizers bill, 454
- Penalty clauses improved, 454
- Gardiner, Right Hon. James G., Minister of Agriculture, tribute to, 562-3
- Income Tax bill, 495
- Land Use, Special Committee, 97-98
- Economic problems of farmers, 97
- Gordon Commission, preliminary report, references to agriculture misunderstood, 97
- Submarginal areas, transfer of farmers from, 97
- Senate, appointment to, 576

Territorial Lands bill. 1r, 5; 2r-3r, 302; r.a., 578

Tolls

- Buffalo and Fort Erie Public Bridge, 467, 468
- St. Lawrence Seaway, 162-3

Touche, George A. & Co., Auditors, Canadian National Railways, 516

Tourist traffic

- Accommodation, 282
- Alberta, 285-6
- Canadian Government Travel Bureau
- Dolan, Leo, first Director, 280, 291
- Field, Alan, new Director, 280-1
- Other Government agencies, need for co-operation with, 280, 281, 287-8
- National Parks, 282
- Prince Albert, 283-4
- Prince Edward Island, 285
- Waterton, 286
- Riding Mountain, 287
- Fundy, 291
- New Brunswick, 291
- Ottawa, 289, 290
- Parliament Buildings, 290
- Prince Edward Island, 284-5
- Quebec, 282
- Spending by tourists, 281
- Deficit in tourist industry, 280, 281-2; suggested remedies, 281-2
- Trans-Canada highway, 281, 283, 286
- Travel in Canada by Canadians, 280, 281, 282, 284, 289

Tourist traffic—Concluded

- United States tourists
- Economic importance of, 288-9
- Reaction to currency discount, cost of accommodation and quality of meals, 282-3

Tourist Traffic Committee

- Appointment, 9; quorum, 26
- Empowered to make inquiry, 279

Trade, international

- Competition on world markets, 30
- Discussion at United Nations Assembly, 476
- Exports
- Agricultural, decrease since 1951, 20
- Inflation, effect on, 29, 139
- Trade deficit with United States, 249, 250, 252
- Various products, increase in, 41
- Wheat to Europe, 205
- Imports
- Agricultural products from United States, 201
- Beef from Texas, 237
- Effect on Canadian markets, 160, 201
- Increase over exports, 28, 249, 250, 252
- Machinery from United States, 55
- See Export and Import Permits bill

Traffic accidents

- Causes and preventive measures, 64-65
- Highway, railway and air, 351, 371
- Study by Senate committee proposed, 390-1

Trans-Canada Highway, 281, 283, 286

Trans-Canada Pipe Lines Limited, 160-1

Trans Mountain Oil Pipe Line Company bill. 1r, 46; 2r, 66; ref to com, 66; rep of com-3r, 87

Transport and Communications Committee

- Appointment, 9; quorum, 26
- Reports, 87, 145, 316, 350

Transport Commissioners, Board of, 129, 130, 131

Turgeon, Hon. Gray

- Duffus, the late Hon. J. J., tribute to, 148
- Estimates, consideration in House of Commons—limited powers of private members respecting, 428
- Suez Canal, loan to help finance clearing, 118-19
- Israeli-Egyptian dispute, 118-19

Unemployment, 42

UNESCO (United Nations Educational, Scientific and Cultural Organization)

- Budget and programs, 80, 81-83
- Commission, 240, 244, 260, 272, 484
- Ninth General Conference, 76-84
- Canadian delegation, 76-81, 134

Union Jack and Red Ensign, 463, 498, 520-1**United Kingdom**

- Cost of living, 53
- Economic conditions, 567
- Immigrants from, 2, 48, 53, 76
- Generous policy recommended, 48, 53, 76
- Middle East, British-French action, 48-49, 116
- Prime Minister, Right Hon. Harold Macmillan, 50, 116

United Kingdom Financial Agreement bill.

- 1r, 566; 2r, 566-7; 3r, 567-8; r.a., 578

United Nations

- Administrative budget and special agencies, Canadian contributions to, 473
- Defiance by Russia, India and other nations, 116
- General Assembly, Eleventh session, 469, 475-6
- Canadian delegation, 469, 470
- World peace, 122

United States

- Agricultural Products shipped to Canada, 201
- Alaska-Yukon Pipelines Ltd., operations in United States, 107-8
- Canadian borrowings in, 250-1, 253-4
- Convention for preservation and conservation of Sockeye Salmon, amendments, 24
- Exports to, 361-2, 510, 511, 512
- Friendly relations with Canada, 122
- Interests in Canada, 29
- Investments in Canadian industry, 251
- Loan agreement (1946) with United Kingdom, 566, 567
- Machinery imports from, 55
- Middle East policy, 49, 471, 472
- Potatoes, exports to and imports from, 201, 510, 511, 512
- Salmon fisheries treaty with, amended to include Pink salmon, 24, 371-9, 397
- Suez Canal, loan to help finance clearing, 111, 112, 118
- Tourists
 - Economic importance, 288-9, 290
 - Reaction to currency discount, accommodation costs and quality of meals, 282-3. (See 284)
- Wheat
 - Marketing of surplus, 229, 233, 234
 - Parity prices, 228

Universities

- Attended by students from all provinces, 296-7, 422
- Canada Council endowment fund, scholarships, awards, loans, 240
- Canadian unity preserved by, 296
- Chair of Commonwealth Relations, India, 84; proposed for Canada and other countries, 84
- Functions, 296-7
- Grants, 2, 31-32, 40-41, 55-56, 76, 100-1, 110, 113-14, 117, 120-1, 161, 170-1, 240-3, 265-6, 276, 296-7, 301, 422
- Manitoba, 31-32, 113-14, 242, 243
- Maritimes, 94, 100-1, 114, 117, 120-1, 259, 295, 296-7, 298
- Mount Allison, round table discussion on farm problems, 94
- Contributions by alumni, 259
- School of Arts, 259, 295
- National conference, 2
- New Brunswick, 296-7, 298
- Quebec, 262
- Queen's, 56
- Scholarships, 56, 248, 259-60, 272, 273, 274, 275, 276
- School pupils, percentages continuing to, 242
- Telecasts—proposed free time on C.B.C., 435-6, 460-4

Vaillancourt, Hon. Cyrille, Deputy Leader of the Government in the Senate

- Agricultural Products Marketing bill, 563
- Provincial boards, authority to levy on co-operative organizations, 563
- Canada Council bill, 276, 326-7
- Autonomous body to administer funds, 326
- Prime Minister, interest in, 326
- Scholarships, 276
- University grants, 276
- Committee of Selection, appointment, 3
- Equitable Fire Insurance Company of Canada bill, 327
- Excise Tax bill, 508
- Feed grains
 - Freight assistance, 121
 - Price in eastern provinces, 132
- Fertilizers bill, 443
- Ghana, welcomed as new member of Commonwealth, 331
- Hospital Insurance and Diagnostic Services bill, 554
- Quebec, position of white-collar workers, 554
- Montreal, visitors from in Senate galleries, 322; Montreal North Businessmen's Association, 331
- Narcotic Control bill, 322
- Penalties, 322
- Reid, Hon. Thomas, work as Chairman of Senate Special Committee on drug traffic, (1955), 322

Vaillancourt, Hon. Cyrille—Concluded

- Senate—Speaker and Leader of Government, tributes to, 575
- Universities—Proposed free time on C.B.C. for telecasts, 436

Vien, Hon. Thomas, P.C.

- Acting Speaker, 294, 316, 330
- Appropriation bill No. 2, 421, 425, 426-7
- Divorce rules, new, 36
- Estimates, consideration by Finance Committee, 421
- Government Property Traffic bill, 387, 388
- Money bills, powers of Senate and House of Commons, 421, 425, 426-7
- Senate chamber
 - Opening of Parliament—Disturbing noise at commencement of Speech from the Throne, 6
 - Original plan for galleries uncompleted, 6
 - Visitors, lack of proper accommodation for, 6
- Wilson, Hon. Cairine R., welcome on return to Senate, 330

Visitor to Parliament

- Mollet, His Excellency Guy, Prime Minister of France, 294, 310; address, 311-15

Wabana airstrip, Newfoundland, inquiry, 51, 88, 128; answer, 225**Wall, Hon. William M.**

- Canada Council bill, 248
 - Capital Grants fund, 248
 - Membership of Council, 248
 - Scholarships, 248
- Canadian Co-operative Credit Society Limited bill, 255-6
- Co-operative Credit Society of Manitoba Limited, eligibility for membership in Canadian Society, 256
- Eastern Rocky Mountain Forest Conservation bill, 308
- Fertilizers bill, 442
- Municipal Grants bill, 411-13
 - Crown corporations property, 412
 - Fiscal need at municipal level, 411, 412, 413
 - Principle of original grants formula expanded, 411, 412, 413
 - Taxation revenues, need for constant review of allocations among governmental jurisdictions, 412, 413

Western Assurance Company bill. 1r, 294; 2r, 328-9; ref to com, 329; rep of com-3r, 349; r.a., 455**Wheat**

- Agreements, British and International, 227, 228, 229, 231, 232, 233, 234

Wheat—Concluded

- Canadian Wheat Board bill, 156, 197-205, 225-38, 239, 258, 447
- Canadian Wheat Board
 - Delay in issuing sales permits to estates, 232, 236
 - Farmer's grain unit, 236
 - Historical background, 197-8
 - Marketing, 231, 232-3, 234
 - Operations, 199
 - Powers, 200, 201, 202-4, 225, 226, 227, 233, 234-5
 - Stoppage of shipments between British Columbian points via United States highway, 202-4
 - Work commended, 199, 231, 232
- Crop in western Canada, average for last 35 years, 487
- Crowsnest Pass agreement, 33-34
- Feed grains
 - Freight assistance, 109-10, 113, 116-17, 119-20, 121, 128, 129-30, 131-2, 162
 - Market in British Columbia, 236-7
- Prairie Farm Assistance bill, 497, 503-5, 578
- Prairie Grain Producers Interim Financing bill, 486-7, 578
- Storage, 199-200
- Surplus, 30, 41, 231, 234, 235

Wilson, Hon. Cairine R.

- Ministers from Commons, explanation of bills in Senate, 459
- Welcome on return to Senate, 330

Windsor Harbour Commissioners bill. 1r, 75; 2r, 303-5; ref to com, 305; rep of com-3r, 316; r.a., 578**Woodrow, Hon. A. L.**

- Dominion Succession Duty bill, 496
- Income Tax bill, 493

Woolsack, the, 167, 423**Yukon Territory—See Alaska-Yukon Pipelines Ltd. bill, 74, 106-8, 145, 163, 164, 447****ANNULMENT BILLS****Audette, Jean-Paul. 1r, 214; 2r, 238; 3r, 249; r.a., 447****Denis, Jean. 1r, 369; 2r, 403; 3r, 405; r.a., 577****Mallette, Joseph Fernand Gerard. 1r, 369; 2r, 403; 3r, 405; r.a., 577****Primeau, Noella Jacques. 1r, 127; 2r, 155; 3r, 156; r.a., 446****Thorbergson, Marjorie Alice Holdron. 1r, 224; 2r, 256; 3r, 266; r.a., 447**

DIVORCE BILLS

- Adrain**, Gwendoline Stedman. 1r, 51; 2r, 67; 3r, 75; r.a., 445
- Allard**, Andre Michel. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Allarie**, Elizabeth Catherine Baggott. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Allen**, Charles Richard. 1r-2r-3r, 405; r.a., 578
- Anderson**, Eugenia Lontos. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Auerback**, Irene Myra Cohen. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Balogh**, Edith Joyce Hawkes. 1r-2r-3r, 430; r.a., 577
- Barnes**, Beverley Carol Wilson. 1r, 103; 2r, 126; 3r, 132; r.a., 446
- Barnett**, Jean MacRae. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Baskin**, Jeanette Goldman. 1r, 404; 2r-3r, 405; r.a., 577
- Beane**, Molly Leibovitch. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Beard**, Harry Edward. 1r, 404; 2r-3r, 405; r.a., 578
- Bedard**, Gaston. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Belak**, Donalda Ruth MacCrimmon. 1r-2r, 444; 3r, 445; r.a., 578
- Bennett**, Allan Graham. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Berzins**, Zigurds. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Bezonsky**, Mitzi Aronovitch. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Black**, Donna Ruby Stallworthy. 1r, 269; 2r, 293; 3r, 295; r.a., 447
- Blake**, Katharine Kimball Little. 1r, 103; 2r, 126; 3r, 132; r.a., 446
- Bloom**, Leonard. 1r, 103; 2r, 126; 3r, 132; r.a., 445
- Bobula**, Elizabeth Harris. 1r, 404; 2r-3r, 405; r.a., 577
- Bodaly**, Peggy Mary Trim. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Bonner**, Margaret Frances Dearmond. 1r, 127; 2r, 155; 3r, 157; r.a., 446
- Boski**, Miloslawa Zaleska. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Boulard**, Mildred Edith Shaw. 1r, 269; 2r, 293; 3r, 295; r.a., 447
- Bourgon**, Pauline Marguerite Dastous. 1r, 123; 2r, 144, 3r, 150; r.a., 446
- Bouziane**, Joseph Ricardo. 1r, 295; 2r, 329; 3r, 331; r.a., 455
- Bowden**, Margaret Louise Martin. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Divorce Bills—Cont.**
- Boyd**, Shirley Anne Julian. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Brainin**, Abrasha. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Briggs**, Doris Velma Gardner. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Brodeur**, Gisele Comtois. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Brooks**, Joan Simonne Ghent. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Brown**, Anne Griffith. 1r, 103; 2r, 126; 3r, 132; r.a., 446
- Brown**, Bernice Clyde. 1r-2r, 444; 3r, 445; r.a., 578
- Brown**, Mary Weiner. 1r-2r-3r, 405; r.a., 578
- Bunlet**, Camille Emile. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Burnside**, Robert Carruthers. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Bushby**, Henry John. 1r, 404; 2r-3r, 405; r.a., 577
- Cadieux**, Romeo. 1r, 429; 2r-3r, 430; r.a., 577
- Cahusac**, Elizabeth Trefry. 1r, 63; 2r, 86; 3r, 100; r.a., 446
- Campbell**, Grayce Marion Mack. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Cantlie**, Dorothy Eileen Worsdell. 1r, 404; 2r-3r, 405; r.a., 577
- Caron**, Eta Krupnick. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Cartier**, Georges-Etienne. 1r, 404; 2r-3r, 405
- Chalmers**, Jack Stevenson. 1r, 63; ref to com, 86; rep of com, 418; 2r-3r, 433; r.a., 577
- Chalmers**, Patricia Mary Shewan. 1r, 88; 2r, 108; 3r, 124; r.a., 446
- Chatham**, Arthur John. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Chesnel**, Marie Marcelle Therese Dagenais. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Cianci**, Julio Donato. 1r-2r, 444; 3r, 445; r.a., 577
- Cleary**, Shirley Ann Doris Hobbs. 1r, 404; 2r-3r, 405; r.a., 578
- Cohen**, Fanny Faye Fox. 1r-2r, 444; 3r, 445; r.a., 578
- Cole**, Helen Mary McEachran. 1r, 103; 2r, 126; 3r, 132; r.a., 445
- Collett-White**, Marjorie Alice Ridout. 1r-2r, 444; 3r, 445; r.a., 577
- Collins**, Marie Therese Ibbotson. 1r, 269; 2r, 293; 3r, 295; r.a., 447
- Colomay**, Esther Kahn. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Connell**, Herbert Marshall. 1r, 369; 2r, 403; 3r, 406; r.a., 577
- Corse-Scott**, June Angela Duyvewaardt. 1r, 317; 2r, 334; 3r, 337; r.a., 577

Divorce Bills—Cont.

- Costigan, Geraldine Leonore Dowd. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Coté, Joseph Napoleon Hyacinthe. 1r-2r, 444; 3r, 445; r.a., 577
- Craft, Anne Glassberg. 1r-2r, 444; 3r, 445; r.a., 577
- Croteau, Joseph Robert Gilbert. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Cumming, Diana Mary Beatrice Glassco. 1r, 63; 2r, 86; 3r, 100; r.a., 446
- Cummings, Frederick William. 1r, 404; 2r-3r, 405; r.a., 577
- Cupchik, Chana Paya Trifskin. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Crystal, Jack, otherwise known as Connor, John Anthony. 1r-2r-3r, 469
- Cyr, Lillian Martin. 1r, 224; 2r, 257; 3r, 266; r.a., 447
- Daniel**, Ruby Ivy Jewell. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Dauray, Rene. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Decaire, Margaret Joan Carol McCurley. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- DeIacobis, Dorothy Frances Auger. 1r, 51; 2r, 67; 3r, 75; r.a., 445
- Denbow, Florence Rhoda Cohen. 1r-2r-3r, 452; r.a., 578
- Dennis, Pierrette Beaudry. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Di Fruscia, Pauline Verdoni. 1r, 404; 2r-3r, 405; r.a., 578
- Dinelle, Noella Lauzon. 1r-2r-3r, 430; r.a., 577
- Dixon, Lily Stall. 1r, 270; 2r, 293; 3r, 295; r.a., 447
- Dolan, Joyce Western. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Doucet, Paul Emile. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Douglas, Gwyneth Owen Young. 1r, 103; 2r, 126; 3r, 132; r.a., 446
- Drembo, Victor Edward. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Dunbrack, Brenda Iris Gibson. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Durocher, Georges Henri. 1r, 443; 2r-3r, 444; r.a., 578
- Dynes, Katharine Puobis. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Eaton**, George Henry. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Eckford, Olga Helen Descyca. 1r, 88; 2r, 108; 3r, 124; r.a., 446
- Eldridge, Mary Matilda Chatfield. 1r, 63; 2r, 85; 3r, 100; r.a., 446

Divorce Bills—Cont.

- Elfstrom, Mary Helen Joyce Lamberg. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Elkin, Charlotte Ellis. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Ellis, George William. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Emberg, Clarence Ronald John. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Engel, Alice Katherine Sorensen. 1r, 146; 2r, 164; 3r, 166; r.a., 446
- Erdelyi, Andreas. 1r-2r, 444; 3r, 445; r.a., 578
- Ermacora, Aldo. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Essner, Sam. 1r-2r, 444; 3r, 445; r.a., 578
- Estabrooks, Leon Gass. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Fahy**, Lillian Annie Wagner. 1r, 146; 2r, 164; 3r, 166; r.a., 447
- Fallon, Lily Brigham Hall. 1r, 146; 2r, 164; 3r, 166; r.a., 446
- Feldman, Mary Ghetler. 1r-2r, 444; 3r, 445; r.a., 578
- Finucane, John Bernard. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Fletcher, Gloria Helen King. 1r-2r-3r, 430; r.a., 577
- Forest, Joseph Rolland. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Forrester, Winnifred Matthews. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Foster, Phyllis Minnie Reid. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Foulds, Thomas Jeremie. 1r, 269; 2r, 293; 3r, 295; r.a., 447
- Fournier, Anita Roberge. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Fox, Evelyn Gladys Douglas. 1r, 269; 2r, 293; 3r, 295; r.a., 447
- Franken, Tobia Betze van Lier. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Fraser, Elizabeth Joyce Cole. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Freeze, Mary Klodin. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Fuglewicz, Emma Rosetta Rule. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Gagne**, Joseph. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Gagnon, Cairlan Lawrence Earle. 1r-2r, 444; 3r, 445; r.a., 577
- Gagnon, Edith Beryl Jewett. 1r, 88; 2r, 108; 3r, 124; r.a., 446
- Garland, John Masson. 1r, 295; 2r, 329; 3r, 331; r.a., 455
- Gashler, Mary Tuskewich. 1r, 156; 2r, 177; 3r, 205; r.a., 447

Divorce Bills—Cont.

- Gauvreau, Ethelynn Joan Ratcliff. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Gearey, Virginia Patricia Gariepy. Petition withdrawn, refund of fees, rep of com, 87-88; rep adopted, 108
- Gedvila, Gene Koklyte. 1r, 224; 2r, 257; 3r, 266; r.a., 447
- George, Bernard. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Giasson, Eve, otherwise known as Giasson, Lucien. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Goldberg, Samuel Jack. 1r-2r-3r, 469
- Goorji, Naim Shaul. 1r, 146; 2r, 164; 3r, 166; r.a., 446
- Gossage, Edith Chatfield. 1r, 63; 2r, 86; 3r, 100; r.a., 446
- Goulding, Samuel. 1r, 404; 2r-3r, 405; r.a., 577
- Goulet, Barbara Fay Howard. 1r-2r, 444; 3r, 445; r.a., 578
- Gravenor, Margaret Cameron Brown. 1r, 146; 2r, 164; 3r, 166; r.a., 446
- Gray, George Johnstone. 1r, 269; 2r, 293; 3r, 296; r.a., 447
- Greengrass, James Frederick. 1r, 295; 2r, 329; 3r, 331; r.a., 455
- Grube, Karl Heinz. 1r, 295; 2r, 329; 3r, 331; r.a., 455
- Guimond, Aurora Josephine Moretti. 1r, 404; 2r-3r, 405; r.a., 577
- Gunhouse, Eveline Dora Giroux. 1r-2r-3r, 405; r.a., 578
- Haire**, Marie Louise Armand Josephine Wouters. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Hallas, Kenneth Franklin. 1r, 224; 2r, 257; 3r, 266; r.a., 447
- Harper, Doris Silversides. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Hartwell, Margaret Mary Ellen Moringe. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Harwood, Anne Marie Marguerite Victoria Melchers. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Hausman, Violet Kert. 1r, 270; 2r, 293; 3r, 295; r.a., 447
- Hellmann, Dieter Heinrich Karl. 1r-2r-3r, 430; r.a., 577
- Herszlikowicz, Miriam Fridman. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Hill, Philippa Hazel Martin Foster. 1r-2r, 444; 3r, 445; r.a., 578
- Hoffer, Marion Ruth Bronfman. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Hogan, Mary Shirley Mortimer. 1r-2r-3r, 430; r.a., 577
- Houde, Jean. 1r, 335; 2r, 357; 3r, 367; r.a., 577

Divorce Bills—Cont.

- Hunt, Margaret Ragna Erickson. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Jackson**, Margaret Nelson Sime. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Jacobson, Louise Yvette Ruth Dumais. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- James, Frank Maun. 1r, 317; 2r, 334; 3r, 338; r.a., 577
- Janeczek, Genowefa Tkaczyk. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Jankovicz, Terez Lazar. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Johnson, Elizabeth Mary Gnaedinger. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Johnson, Maitabel Horwitz. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Jones, Elizabeth Maidie Davies. 1r-2r-3r, 430; r.a., 577
- Jones, Grace Alice Williams. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Joseph, Anita Bernice Rosnick. 1r, 369; 2r, 403; 3r, 406; r.a., 577
- Joy, Lewis George. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Keen**, Jacqueline Waite Chew. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Kempinski, Pinck. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Kimmel, Clara Price. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Kirkham, Mary Frances Crosbie. 1r, 63; 2r, 86; 3r, 100; r.a., 446
- Kotapski, Edward. 1r, 127; 2r, 155; 3r, 157; r.a., 446
- Kowal, Christina Muriel Jean Leard. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Krastins, Roman. 1r-2r, 444; 3r, 445; r.a., 578
- Krymlak, Pauline Jarowyj. 1r, 443; 2r-3r, 444; r.a., 578
- Kulczycki, Aldona Dodon. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Kurtaz, Mary Freeman, otherwise known as Curtis, Mary Freeman. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Labelle**, Joseph Raoul Guy Felix. 1r, 224; 2r, 257; 3r, 266; r.a., 447
- Lacelle, Joseph Elie Claude. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Lachance, Alphonsine Alain. 1r-2r, 444; 3r, 445; r.a., 577
- Lachance, Elizabeth Mabel Freestone. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Ladouceur, Cleo Joseph. 1r, 123; 2r, 144; 3r, 150; r.a., 446

Divorce Bills—Cont.

- LaFleche, Francois Richer, otherwise known as LaFleche, Francois Pierre Patrice. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Lafontaine, Gilbert Jacques. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Laframboise, Joan Betty Mae Barnard. 1r, 224; 2r, 257; 3r, 266; r.a., 447
- Lambert, Margaret Lukis. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Lanctot, Maud Lenore Wheeler. 1r, 51; 2r, 67; 3r, 75; r.a., 445
- Lanouette, Wilfrid. 1r-2r, 444; 3r, 445; r.a., 578
- Lariviere, Phyllis Shirley Moore. 1r, 295; 2r, 329; 3r, 331; r.a., 447
- Laurence, Marthe Brais. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Lawrentowycz, Tekla Stefura, otherwise known as Lorentowich, Tillie Stefura. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Lazoryk, Theophila Yanishevski. 1r, 295; 2r, 329; 3r, 331; r.a., 455
- Leclair, Roland. 1r-2r-3r, 430; r.a., 577
- Leclaire, Joseph Adelard Gerard. 1r, 269; 2r, 293; 3r, 295; r.a., 576
- Le Corney, Edwin Alfred. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Lefrancois, Marie Rose Elizabeth Giroux, otherwise known as Lefrancois, Colette Giroux. 1r, 103; 2r, 126; 3r, 132; r.a., 446
- LeGault, Jacques Alfred. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Leger, Catherine Violet Mooney. 1r, 224; 2r, 257; 3r, 266; r.a., 447
- Lesage, Francoise Yip Lim. 1r, 63; 2r, 86; 3r, 100; r.a., 447
- Leth, Hans. 1r-2r-3r, 430; r.a., 577
- Levesque, Marie-Yvette Laurette Petit. 1r, 127; 2r, 155; 3r, 157; r.a., 446
- Liddell, Ellen Catherine Norma Hogan. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Lippiatt, Roxcina Violet McPherson. 1r, 146; 2r, 164; 3r, 166; r.a., 446
- Locas, Joseph Bernard Guy. 1r-2r, 444; 3r, 445; r.a., 578
- Luard, Claude Christopher Richard. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- MacDonald**, Catherine Phyllis Reid. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- MacDonald**, Dorothy Amelia Ashmore. 1r, 51; 2r, 67; 3r, 75; r.a., 446
- Macdonald**, Lucy Lavinia Munford. 1r, 404; 2r-3r, 405; r.a., 577
- Macdonald**, William Ross. 1r, 269; 2r, 293; 3r, 295; r.a., 447
- MacFarlane**, Gladys Catherine McCluskey. 1r, 317; 2r, 334; 3r, 337; r.a., 577

Divorce Bills—Cont.

- MacKay, David Hutcheson. 1r, 295; 2r, 329; 3r, 331; r.a., 455
- Mackay, Joseph Jacques Robert. 1r, 127; 2r, 155; 3r, 157; r.a., 446
- Malouf, Laurice Michel. 1r, 224; 2r, 257; 3r, 266; r.a., 447
- Martin, Jeanne D'Arc Ouellette. 1r, 295; 2r, 329; 3r, 331; r.a., 577
- Martin, Theresa Alice Cain. 1r-2r, 444; 3r, 445; r.a., 578
- Masse, Joseph Roger Fernand. 1r, 369; 2r, 403; 3r, 406; r.a., 577
- Mathieu, Andree Duquette. 1r-2r-3r, 430; r.a., 577
- Matiosaitis, Anastazia Suchodolska. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Mavor, Joan Dorothy Beaver. 1r-2r, 444; 3r, 445; r.a., 578
- Maynard, Winona Beryl Buzan. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Mazaraky, Ludmila Eremeeff. 1r, 294; 2r, 329; 3r, 331; r.a., 447
- McAlear, Marion Donnithorne, 1r-2r-3r, 430; r.a., 577
- McConnery, Lorna Charlotte Brooks. 1r, 123; 2r, 144; 3r, 149; r.a., 446
- McCormick, Marion Stewart Whitehouse. 1r, 369; 2r, 403; 3r, 406; r.a., 577
- McCrea, Muriel Gamache. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- McGuire, Mary Patricia Pierrette Brisebois. 1r-2r, 444; 3r, 445; r.a., 577
- McLean, John Fraser. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- McLean, Pauline Margaret Patricia Sylvester. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- McLeod, Muriel Audrey Connor. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Meade, Lois Altena Robertson. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Metham, Harry Leo. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Meti, Jessie Pearce. 1r, 51; 2r, 67; 3r, 75; r.a., 445
- Middleton, Rose Marie Bremer. 1r-2r, 444; 3r, 445; r.a., 578
- Miller, Mary Elizabeth Williamson. 1r, 295; 2r, 329; 3r, 331; r.a., 447
- Miller, Mary Kathleen Pineault. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Mogil, Mary Boldovitch, otherwise known as Mogilesky, Mary Boldovitch. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Mongeau, Paule Chaput. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Moore, Lawrence Robson. 1r, 404; 2r-3r, 405; r.a., 578

Divorce Bills—Cont.

- Morgan, Mary Elizabeth Catherine Russell. 1r-2r, 444; 3r, 445; r.a., 577
- Morrison, Earl. 1r, 369; 2r, 403; 3r, 406; r.a., 577
- Moscovitch, Doris Katz. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Mudry, Beatrice Lillian Sidaway. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Mugford, Albert George. 1r-2r-3r, 430; r.a., 577
- Nahorniak**, Stefania Stella Rosiu. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Neiss, Lily Claiman. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Nicolle, Doris Amelia Carter. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Niederhoffer, Magda Kadar. 1r-2r-3r, 430; r.a., 577
- Niski, Grzegorz, otherwise known as Niski, Gregory. 1r, 295; 2r, 329; 3r, 331; r.a., 455
- Nurse, Dudley. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Nutbrown, Harry. 1r, 369; 2r, 403; 3r, 406; r.a., 577
- Nutovic, Rina Cirl Reich. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Oncescu**, Nick John. 1r-2r, 444; 3r, 445; r.a., 578
- O'Neill, Donald Edmund. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Ostroff, Lillian Yochalas. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Ovenden, Helen Rose Bickerdike. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Paquette**, Ange-Aimee Jacqueline Lacoste. 1r, 224, 2r, 257; 3r, 266; r.a., 447
- Paradis, Laurette Lacombe. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Parker, Ronald Edward. 1r-2r-3r, 430; r.a., 577
- Parr, Estelle Frances Demaio. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Pastuszko, Jeannine Thauvoye. 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Patience, Patricia Anne Wylie Houstoun. 1r, 51; 2r, 67; 3r, 75; r.a., 446
- Pattee, Frances Ellison Schnebley. 1r-2r, 444; 3r, 445; r.a., 578
- Petel, Jacques. 1r-2r, 444; 3r, 445; r.a., 578
- Phillips, Doris Irwin. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Piche, Jacques. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Pike, Ronald. 1r-2r, 444; 3r, 445; r.a., 578
- Pinard, Yvette Roby, otherwise known as Beauchemin, Yvette Roby. 1r, 404; 2r-3r, 405; r.a., 577

Divorce Bills—Cont.

- Pinkney, Douglas. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Porter, Pauline Jean Stoakley Ramsey. 1r., 156; 2r, 177; 3r, 205; r.a., 447
- Porter, Roy. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Prefontaine, Jean. 1r, 63; 2r, 85; 3r, 100; r.a., 466
- Prokopp, Ingrid Malten. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Ramsay**, Margaret Chapman. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Redston, Florence Helen Leslie. 1r, 215; 2r, 238; 3r, 249; r.a., 447
- Rief, Sylvia Elizabeth Goodfellow. 1r, 103; 2r, 126; 3r, 132; r.a., 446
- Ripchinsky, Elizabeth Krawchuk Yovdofchuk. 1r, 317; 2r, 334; 3r, 337; r.a., 455
- Ritchie, Dorothy Ellen McCulloch. 1r, 103; 2r, 126; 3r, 132; r.a., 446
- Roach, Barbara Bennett. 1r-2r, 444; 3r, 445; r.a., 578
- Robert, Therese Filion. 1r, 214, 2r, 238; 3r, 248; r.a., 447
- Robertson, Irene Grace Weir. 1r-2r-3r, 430; r.a., 577
- Robinson, Patricia Jean Jones. 1r, 51; 2r, 67; 3r, 75; r.a., 445
- Romandini, Kathleen O'Malley. 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Rose, Frances Elizabeth Lyon. 1r, 103; 2r, 126; 3r, 132; r.a., 446
- Rougeau, Victoire Bergeron. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Rousseau, Marie France Jose Therese Fasbender. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Russell, Micheline Bourdon. 1r-2r, 444; 3r, 445; r.a., 578
- Ryan, Dorothy Cumming. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Rynd, Shirley Chernofsky. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Rzasa, Angelina Szpilakowska, otherwise known as Rzasa, Angela Szpilakowska. 1r, 270; 2r, 293; 3r, 295; r.a., 447
- St. James**, Muriel Martha Margaret Wilkins. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Sams, Joan Gertrude Mitchell. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Saunders, Bessie Holmes. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Sazant, Clara Soloway Rudy. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Scarff, Shirley Edythe Fairlie. 1r, 269; 2r, 293; 3r, 295; r.a., 447

Divorce Bills—Cont.

- Schwartz, Catharina Lassahn. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Schwarz, Joan Monica Evans. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Senecal, Georgette Paquette. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Servay, Waltraud Feronika Thorwart. 1r, 317; 2r, 333; 3r, 337; r.a., 455
- Sharpe, Helene Victorine Monseur. 1r, 224; 2r, 257; 3r, 266; r.a., 447
- Shaver, Anita Marinier. 1r, 63; 2r, 85; 3r, 99; r.a., 446
- Sherback, Mimi Frances Aberback. 1r-2r, 444; 3r, 445; r.a., 577
- Shields, Lorna Claire Bianchi. 1r, 123; 2r, 144; 3r, 149; r.a., 446
- Shyshko, Irene Kluchnyk. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Silver, Elizabeth Hill. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Silverman, Miriam Brodish. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Snider, Sylvia Rapp. 1r-2r, 444; 3r, 445; r.a., 578
- Sobie, Eileen Madeleine Conroy Wettlaufer. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Springelis, Eleonor Butkievičute Springeliene. 1r, 404; 2r-3r, 405; r.a., 578
- Spurrell, Lennard Gordon. 1r, 127; 2r, 155; 3r, 157; r.a., 446
- Srb, Dierdre Joan Lang. 1r, 146; 2r, 164; 3r, 166; r.a., 446
- Stairs, Millicent Felicite Dawson. 1r-2r, 444; 3r, 445; r.a., 578
- Stanley, Marjorie Edwina Elizabeth Eke. 1r, 127; 2r, 155; 3r, 157; r.a., 446
- Steinhart, Sylvia Slutsky. 1r, 127; 2r, 155; 3r, 157; r.a., 446
- Stewart, Marion Campbell. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Stone, Frances May Cousins. 1r, 103; 2r, 126; 3r, 132; r.a., 446
- Strelis, Julija Rinkeviciute. 1r, 127; 2r, 155; 3r, 157; r.a., 446
- Strike, Doris Jean Lussier. 1r, 369; 2r, 403; 3r, 405; r.a., 577
- Sullivan, Mary Patricia Happy. 1r-2r, 444; 3r, 445; r.a., 578
- Supple, Richard. 1r-2r, 444; 3r, 445; r.a., 578
- Sztajnhart, Abraham, otherwise known as Steinhart, Abraham. 1r, 156; 2r, 177; 3r, 205; r.a., 447
- Taillefer, Agathe Rose Alma Bisson.** 1r-2r, 444; 3r, 445; r.a., 577
- Tamborino, Philip. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Tanguay, Simone Habel. 1r-2r-3r, 405; r.a., 578
- Divorce Bills—Cont.**
- Tannahill, Edna Hall Powell. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Tardif, Mary Flatman. 1r, 335; 2r, 357; 3r, 367; r.a., 577
- Taylor, Edward Douglas. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Taylor, Joyce Bernice Good. 1r, 51; 2r, 67; 3r, 75; r.a., 445
- Taylor, Robert Allan. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Theberge, Marie Rose Lina Patricia Guertin. 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Thomas, Marion Augusta Butler. 1r, 404; 2r-3r, 405; r.a., 577
- Turner, Doris Louise Richardson. 1r, 317; 2r, 334; 3r, 338; r.a., 577
- Valois, Joseph Laureat Pierre.** 1r-2r, 444; 3r, 445; r.a., 578
- Varvariuk, Boris. 1r, 88; 2r, 108; 3r, 123; r.a., 446
- Villeneuve, Shirley Jean Weir. 1r, 369; 2r, 403; 3r, 406; r.a., 577
- Wagner, Helmut Josef.** 1r, 214; 2r, 238; 3r, 248; r.a., 447
- Walker, William George. 1r-2r, 444; 3r, 445; r.a., 578
- Ward, Harry Payne. 1r-2r, 444; 3r, 445; r.a., 578
- Ward, Lemuel Alvin Henry. 1r, 224; 2r, 257; 3r, 266; r.a., 447
- Waterman, Gweneth Vernice Blackman. 1r, 317; 2r, 334; 3r, 337; r.a., 455
- Webb, Hazel Gladys Rees. 1r, 270; 2r, 293; 3r, 295; r.a., 447
- Webb, John Howard Burland. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Weber, Joan Perl Finfer. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Weniger, Samuel. 1r, 127; 2r, 155; 3r, 157; r.a., 446
- Wigdor, Sarah Spiegel. 1r, 123; 2r, 144; 3r, 150; r.a., 446
- Wilson, Stanley Smith. 1r, 224; 2r, 256; 3r, 266; r.a., 447
- Woodrow, Harold Ernest. 1r, 127; 2r, 155; 3r, 156; r.a., 446
- Yetman, Harvey Clifford.** 1r, 63; 2r, 85; 3r, 100; r.a., 446
- Zinman, Rose Marie Hops.** 1r, 317; 2r, 334; 3r, 337; r.a., 577
- Ziomko, Jadwiga Uzar, otherwise known as Ziomko, Hedwig Uzar. 1r, 404; 2r-3r, 405; r.a., 578