Canada

Debates of the Senate

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE GEORGE S. WHITE,
SPEAKER

1962-63

FIRST SESSION, TWENTY-FIFTH PARLIAMENT
11-12 ELIZABETH II

The Session was opened on September 27, 1962
and was adjourned on February 5, 1963

The Twenty-Fifth Parliament was dissolved
on February 6, 1963

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1963

27511-5—A

THE MINISTRY

According to Precedence

February 5, 1963

THE RIGHT HONOURABLE JOHN GEORGE DIEFENBAKER, M.P.	Prime Minister and President of the Queen's Privy Council for Canada
THE HONOURABLE HOWARD CHARLES GREEN, M.P.	Secretary of State for External Affairs
THE HONOURABLE DONALD METHUEN FLEMING, M.P.	Minister of Justice and Attorney General
THE HONOURABLE GEORGE HEES, M.P.	Minister of Trade and Commerce
THE HONOURABLE LÉON BALCER, M.P.	Minister of Transport
THE HONOURABLE GORDON CHURCHILL, M.P.	Minister of Veterans Affairs
THE HONOURABLE EDMUND DAVIE FULTON, M.P.	Minister of Public Works
THE HONOURABLE GEORGE CLYDE NOWLAN, M.P.	Minister of Finance and Receiver General
THE HONOURABLE ELLEN LOUKS FAIRCLOUGH, M.P.	Postmaster General
THE HONOURABLE J. ANGUS MACLEAN, M.P.	Minister of Fisheries
THE HONOURABLE MICHAEL STARR, M.P.	Minister of Labour
THE HONOURABLE JAY WALDO MONTEITH, M.P.	Minister of National Health and Welfare
THE HONOURABLE FRANCIS ALVIN GEORGE HAMILTON, M.P.	Minister of Agriculture
THE HONOURABLE RAYMOND JOSEPH MICHAEL O'HURLEY, M.P.	Minister of Defence Production
THE HONOURABLE JOSEPH PIERRE ALBERT SEVIGNY, M.P.	Associate Minister of National Defence
THE HONOURABLE HUGH JOHN FLEMMING, M.P.	Minister of Forestry and Minister of National Revenue
THE HONOURABLE WALTER DINSDALE, M.P.	Minister of Northern Affairs and National Resources

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THE HONOURABLE GEORGE ERNEST HALPENNY, M.P.	Secretary of State of Canada
THE HONOURABLE PAUL MARTINEAU, M.P.	Minister of Mines and Technical Surveys
THE HONOURABLE RICHARD ALBERT BELL, M.P.	Minister of Citizenship and Immigration
THE HONOURABLE MALCOLM WALLACE McCUTCHEON	Minister without Portfolio

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PARLIAMENTARY SECRETARIES

To the Prime Minister	THEOGENE RICARD, M.P. G. W. BALDWIN, M.P.
To the Secretary of State for External Affairs	H. N. MACQUARRIE, M.P.
To the Minister of Justice	THOMAS M. BELL, M.P.
To the Minister of Trade and Commerce	W. B. NESBITT, M.P.
To the Minister of Transport	J. A. MCBAIN, M.P.
To the Minister of Veterans Affairs	H. F. JONES, M.P.
To the Minister of Public Works	R. J. MCCLEAVE, M.P.
To the Minister of Finance	W. H. GRAFFTEY, M.P.
To the Minister of Fisheries	A. DEB. MCPHILLIPS, M.P.
To the Minister of Labour	A. D. HALES, M.P.
To the Minister of National Health and Welfare	MRS. JEAN CASSELMAN, M.P.
To the Minister of Agriculture	W. H. JORGENSON, M.P. L. J. PIGEON, M.P.
To the Minister of Mines and Technical Surveys	J. A. MCGRATH, M.P.
To the Minister of Citizenship and Immigration	F. C. MCGEE, M.P.

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

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

SENATORS OF CANADA

ACCORDING TO SENIORITY

February 5, 1963

THE HONOURABLE GEORGE S. WHITE, SPEAKER

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

27511-5—B½

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

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

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DAVID JAMES WALKER, P.C.		Toronto, Ont.
RHEAL BELISLE		Sudbury, Ont.
PAUL YUZYK		Winnipeg, Man.
ORVILLE HOWARD PHILLIPS		Alberton, P.E.I.

For Senators deceased, see Index

SENATORS OF CANADA

ALPHABETICAL LIST

February 5, 1963

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

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

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

SENATORS OF CANADA

BY PROVINCES

February 5, 1963

ONTARIO—24

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 NORMAN P. LAMBERT	Ottawa	Ottawa.
2 SALTER ADRIAN HAYDEN	Toronto	Toronto.
3 NORMAN MCLEOD PATERSON	Thunder Bay	Fort William.
4 WILLIAM RUPERT DAVIES	Kingston	Toronto.
5 GORDON PETER CAMPBELL	Toronto	Toronto.
6 WILLIAM HORACE TAYLOR	Norfolk	R.R. 3, Brantford.
7 CHARLES L. BISHOP	Ottawa	Ottawa.
8 ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto.
9 ALLAN L. WOODROW	Toronto Centre	Toronto.
10 WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford.
11 JOHN J. CONNOLLY	Ottawa West	Ottawa.
12 DAVID A. CROLL	Toronto-Spadina	Toronto.
13 THOMAS D'ARCY LEONARD	Toronto-Rosedale	Toronto.
14 GEORGE STANLEY WHITE (Speaker)	Hastings-Frontenac	Madoc.
15 JOSEPH A. SULLIVAN	North York	Toronto.
16 LIONEL CHOQUETTE	Ottawa East	Ottawa.
17 HARRY A. WILLIS	Peel	Toronto.
18 M. WALLACE MCCUTCHEON, P.C.	Gormley	Toronto.
19 M. GRATTAN O'LEARY	Carleton	Ottawa.
20 ALLISTER GROSART	Pickering	Ottawa.
21 JOHN A. ROBERTSON	Kenora-Rainy River	Kenora.
22 DAVID JAMES WALKER, P.C.		Toronto.
23 RHEAL BELISLE		Sudbury.
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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	CYRILLE VAILLANCOURT	Kennebec	Lévis.
7	VINCENT DUPUIS	Rigaud	Montreal.
8	JEAN-MARIE DESSUREAULT	Stadacona	Quebec.
9	PAUL HENRI BOUFFARD	Grandville	Quebec.
10	MARIANA BEAUCHAMP JODOIN	Sorel	Montreal.
11	LEONARD DAVID SWEEZEY TREMBLAY	Lauzon	St. Malachie.
12	SARTO FOURNIER	De Lanaudière	Montreal.
13	HARTLAND DE MONTARVILLE MOLSON	Alma	Montreal.
14	CHARLES GAVAN POWER, P.C.	Gulf	St. Pacôme.
15	JEAN-FRANÇOIS POULIOT	De la Durantaye	Rivière du Loup.
16	J. EUGÈNE LEFRANÇOIS	Repentigny	Montreal.
17	MARK ROBERT DROUIN, P.C.	La Salle	Quebec.
18	LÉON MÉTHOT	Shawinigan	Trois Rivières.
19	GUSTAVE MONETTE	Mille Isles	Montreal.
20	JOSIE ALICE DINAN QUART	Victoria	Quebec.
21	LOUIS PHILIPPE BEAUBIEN	Bedford	Montreal.
22	JACQUES FLYNN, P.C.	Rougemont	Quebec.
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NOVA SCOTIA—10

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

NEW BRUNSWICK—10

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

PRINCE EDWARD ISLAND—4

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

BRITISH COLUMBIA—6

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

MANITOBA—6

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

SASKATCHEWAN—6

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

ALBERTA—6

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

NEWFOUNDLAND—6

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

THE SENATE

Officers and Chiefs of Principal Branches

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

Parliamentary Reporters

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

(French) Aurèle Chenier, J. R. Langlois

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CANADA

Debates of the Senate

OFFICIAL REPORT

Thursday, September 27, 1962

OPENING OF FIRST SESSION TWENTY-FIFTH PARLIAMENT

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

The Senate met at 10 a.m.

THE SPEAKER OF THE SENATE

READING OF COMMISSION APPOINTING HON. MR. WHITE

Hon. George S. White, having taken the Clerk's chair, rose and said: Honourable senators, I have the honour to inform you that a Commission has been issued under the Great Seal, appointing me Speaker of the Senate.

The said Commission was then read by the Clerk.

The Hon. the Speaker then took the Chair at the foot of the Throne, to which he was conducted by Hon. Alfred Johnson Brooks, P.C., and Hon. W. Ross Macdonald, P.C., the Gentleman Usher of the Black Rod preceding.

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE

Ottawa
September 27, 1962

Sir,

I am commanded to inform you that the Honourable Patrick Kerwin, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to open the First Session of the Twenty-fifth Parliament of Canada on this day, Thursday the 27th September, 1962, at 11.00 a.m.

I have the honour to be,
Sir,
Your obedient servant,

A. G. Cherrier,
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

27511-5—1

NEW SENATORS

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

Harry Albert Willis, Esquire, Q.C.
James Campbell Haig, Esquire, Q.C.
Malcolm Wallace McCutcheon, Esquire, C.B.E.
Michael Grattan O'Leary, Esquire
Allister Grosart, Esquire
Edgar Fournier, Esquire
Clement O'Leary, Esquire
Frank Welch, Esquire,

respectively, have been summoned to the Senate.

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; took the legally prescribed oath, which was administered by the Clerk, and were seated:

Hon. Harry Albert Willis, of Peel, Ontario, introduced between Hon. Mr. Brooks and Hon. Mr. Sullivan.

Hon. James Campbell Haig, of Winnipeg, Manitoba, introduced between Hon. Mr. Brooks and Hon. Mr. Thorvaldson.

Hon. Malcolm Wallace McCutcheon, P.C., of Gormley, Ontario, introduced between Hon. Mr. Brooks and Hon. Mr. Sullivan.

Hon. Michael Grattan O'Leary, of Ottawa, Ontario, introduced between Hon. Mr. Brooks and Hon. Mr. Choquette.

Hon. Allister Grosart, of Ottawa, Ontario, introduced between Hon. Mr. Brooks and Hon. Mr. Choquette.

Hon. Edgar Fournier, of Iroquois, New Brunswick, introduced between Hon. Mr. Brooks and Hon. Mr. Emerson.

Hon. Clement O'Leary, of Antigonish, Nova Scotia, introduced between Hon. Mr. Brooks and Hon. Mr. Macdonald (Cape Breton).

Hon. Frank Welch, of Wolfville, Nova Scotia, introduced between Hon. Mr. Brooks and Hon. Mr. Macdonald (Cape Breton).

The Hon. the Speaker informed the Senate that each of the 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.

At 10.45 a.m. the Senate adjourned during pleasure.

At 11 a.m. the sitting was resumed, and was then adjourned, pending the arrival of the Honourable the Deputy of the Governor General.

Hon. Patrick Kerwin, Deputy of His Excellency the Governor General, having come and being seated,

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

Who being come,

The Hon. the Speaker said:

Honourable Members of the Senate:

Members of the House of Commons:

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

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE

Ottawa

27th September 1962

Sir,

I have the honour to inform you that His Excellency the Governor General will arrive at the main entrance of the Parliament Buildings at 3.00 p.m. on this day, Thursday the 27th September, 1962, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the First Session of the Twenty-fifth Parliament of Canada.

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

The Honourable
The Speaker of the Senate.

On motion of Hon. Mr. Choquette, seconded by Hon. Mr. Higgins, the Senate adjourned until 2.45 p.m.

SECOND SITTING

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

The Senate adjourned during pleasure.

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

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

The House of Commons being come,

Their Speaker, The Hon. Marcel Lambert, said:

May it please Your Excellency,

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

If, in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

The Hon. the Speaker of the Senate answered:

Mr. Speaker, I am commanded by His Excellency the Governor General to declare to you that he freely confides in the duty and attachment of the House of Commons to Her Majesty's person and Government, and not doubting that their

proceedings will be conducted with wisdom, temper and prudence, she grants, and upon all occasions will recognize and allow their constitutional privileges. I am commanded also to assure you that the Commons shall have ready access to His Excellency upon all seasonable occasions and that their proceedings as well as your words and actions, will constantly receive from him the most favourable construction.

SPEECH FROM THE THRONE

His Excellency the Governor General was then pleased to open the First Session of the Twenty-Fifth Parliament with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

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

I know I speak for all Canadians when I say how pleased we were to have Her Majesty Queen Elizabeth The Queen Mother with us again. Her warmth and charm have added to the loyalty and affection for the Crown and our Queen.

This spring His Royal Highness The Duke of Edinburgh spent several weeks here in connection with his Second Study Conference on the Human Consequences of the Changing Industrial Environment in the Commonwealth and Empire. Her Royal Highness The Princess Royal, during her stay in Canada last June, carried out her program of engagements with simplicity and grace.

Canada has been honoured in the last few days by a visit from the President of Pakistan. His Excellency Ayub Khan, who accompanied my Prime Minister on his return from the Commonwealth Conference. We were happy to greet this distinguished leader of a great Commonwealth nation and to discuss with him matters of mutual interest.

Since we last met in this Chamber my wife and I have visited many parts of Canada and have received at Government House a great number of societies and organizations, including representatives of student groups and youth movements. We have been deeply impressed with the expressions of loyalty to the Crown by people in all walks of life.

The meeting of Commonwealth Prime Ministers just concluded has again provided an opportunity for frank discussions at the highest level and a demonstration of the close relationship which distinguishes this unique association of free nations. Canada joined in welcoming four new self-governing members of the Commonwealth—Sierra Leone, Tanganyika, Jamaica, and Trinidad and Tobago.

The Commonwealth Conference discussed Britain's negotiations with the European Economic Community and the economic and political implications for the Commonwealth and its members of possible British accession to the community. Canada has a vital concern in these issues and the Government will spare no effort to safeguard the interests of Canada while preserving the unity and strength of the Commonwealth as a whole.

Far-reaching changes are taking place in the trading relationships between nations and groups of nations. New opportunities are opening up for fruitful negotiations to reduce the barriers to trade on a general, non-discriminatory basis. My Government believes and has proposed that these important subjects should receive comprehensive consideration at a conference of representatives of like-minded nations.

Canada has continued to play an increasingly effective role in international affairs. The division of Germany and the position of Berlin remain a source of friction despite continuing efforts to find a basis for a negotiated settlement. So long as the communist powers continue actions that bring tension and distrust, Canada's defensive capability must be maintained both at home and on the frontiers of the North Atlantic Treaty Organization in Europe and in the Atlantic.

The threat of war can be eliminated only by reaching effective international agreement on disarmament verified by means that inspire confidence. Canada will persist in its efforts to achieve this end.

Canadians have noted with satisfaction the establishment by the United Nations and the Food and Agriculture Organization of a World Food Program based on a proposal put forward by my ministers. You will be asked to authorize a Canadian contribution to this program.

My Government will ask you, as a significant step in rounding out the concept of Confederation, to consider a resolution to provide for the "repatriation" of the Constitution of Canada and to invite the concurrence of the provinces to this end.

As another means of making manifest the Canadian identity, my Government will invite the provinces to a conference for consultation regarding the choice of a national flag and other national symbols.

Measures will be placed before you to provide for the division of the Northwest Territories into two territories, and to provide more self-government for the residents of that area as a step toward the ultimate creation of new provinces in Canada's great north.

You will be requested to enact measures to give effect, with modifications, to certain of the recommendations of the Royal Commission on Publications.

Legislation respecting the Senate will be introduced.

To ensure that the redistribution of electoral districts is made objectively and impartially, you will be asked to approve a bill to establish an independent commission to recommend redistribution.

A measure will be placed before you to establish an Indian Claims Commission to investigate claims on the part of various tribes and bands that certain of their rights have been restricted or abrogated, and to make recommendations for the equitable and final settlement of such claims.

Economic activity in Canada has moved ahead sharply. This strong advance has resulted in more than 200,000 new jobs during the past twelve months. The objective of my Government is to accelerate this pace of advance. This would mean the creation over the next five years of more than one million new jobs and a corresponding growth in gross national product and in production for both the export and domestic market, already at record levels.

Such high levels of activity have not prevented the emergence of foreign exchange difficulties similar to those which confronted Canada in crisis proportions in 1947, and to those which have affected other major trading nations more recently. In June my Government found it necessary to put into immediate effect a comprehensive program to strengthen the country's exchange reserves. Since that time Canada's exchange reserves have increased substantially. It is my Government's firm intention to remove the import surcharges included in this program as soon as circumstances permit.

My Government will continue to take positive, constructive measures to strengthen Canada's balance of international payments. The recently stabilized exchange rate for the Canadian dollar has greatly helped Canadian producers in all parts of Canada both in the domestic and export markets. The new exchange rate is contributing as well to a large expansion in the Canadian tourist industry, which has also been aided by joint efforts of the federal and provincial governments.

Canada's development will continue to require imports of capital, and to this end my Government will maintain a climate in Canada hospitable to foreign investment.

As one of my Government's measures to develop the Canadian economy, maintain a high level of employment and strengthen the balance of payments, you will be asked to approve legislation establishing a National Economic Development Board. This board would be broadly representative and would review and report upon the state of the economy and upon economic policies. It would also have the duty of recommending to the Government particular projects or measures which it considers would be in the interest of national development, including projects which may require direct governmental participation by way of financial aid or otherwise.

The objective of my ministers is a balanced budget. This will require the exercise of restraint in respect of controllable spending and an increased concentration of available resources on essential national projects designed to ensure the expansion of the Canadian economy. Steps will be taken to improve further the efficiency of government operations. The report of the Royal Commission on Government Organization will be helpful in achieving this improvement of administration while maintaining the high status of the Canadian public service. A program of economies in government expenditures will be reflected in the revised estimates to be placed before you.

A royal commission has been established to review the whole field of federal taxation and its impact on the Canadian economy, and to recommend reforms and improvements.

The purposes of the fiscal measures to be placed before you at this session will be the creation of better employment opportunities for the Canadian people, the promotion of a high rate of economic growth, the strengthening of Canada's balance of international payments and the maintenance of stability in prices. New budget measures will be introduced to provide further solutions to long-term problems.

My ministers will re-introduce the resolutions submitted in the last budget which had as its central purpose the encouragement of economic growth. This will include the production incentive provided to manufacturing and processing companies by cancelling one-half of the tax on the first $50,000 of taxable income arising from increased sales and one-quarter of the increased tax on any additional income arising from increased sales. It will also include the measure to grant to individuals and companies the right to charge petroleum drilling and exploration expenses against income from oil and gas production, and to permit certain expenditures made to acquire oil and gas rights to be deductible for tax purposes. The measure to allow a special tax credit in respect of provincial logging taxes will also be re-introduced in order to remove discrimination in the taxation of logging operations. Iron mining companies will be added to the list of companies which

are exempt from the special tax on income earned in Canada by branches of non-resident corporations. The measure will also be reintroduced to increase by $50 per year the income tax deductions allowed for children.

My Government intends to press forward in co-operation with Canadian industry to secure a greater and more rapid application of science to industrial production. You will be asked to approve the new tax incentive announced in the last budget for corporations undertaking increased expenditures on scientific research in Canada. Dramatic evidence of successful co-operation between Canadian science and industry has been given this week in the opening of Canada's first nuclear power generating station.

Canada's prosperity and growth must ultimately rest in large measure upon its exports. To achieve adequate export levels it will be necessary to increase further Canada's capacity to produce competitively and its ability to sell in export markets. The Government's industrial programs are directed toward these ends. Its commercial policy negotiations have the objective of opening additional markets to Canadian producers in fair exchange for opportunities for others to sell in Canada. The vigorous campaign of export trade promotion will be expanded to enlarge the sales of Canadian products in foreign markets. You will be asked to provide the funds necessary for this increasing trade promotion work. Amendments to the Export Credits Insurance Act will also be placed before you, to double the insurance liability which the corporation may assume and to improve the arrangements for long-term financing.

You will be asked to authorize the establishment of an Atlantic Development Board to advise on measures and projects that will promote the economic development of the Atlantic region of Canada.

Amendments will be requested in the Industrial Development Bank Act to enlarge still further this bank's important role in national development.

The prosperity of agriculture remains essential to the well-being of the entire Canadian economy. Canada is blessed this year with very large crops of good quality, and export markets for Canadian agricultural products have been greatly enlarged.

My ministers recognize that livestock is occupying a position of increasing importance in Canadian agriculture. They propose that a program be instituted to ensure the availability of storage facilities and continuity of supplies of feed grain to match the expanding requirements for livestock production, particularly in the areas of British Columbia and eastern Canada where supplies of feed grain are normally deficient.

The program of rehabilitation and development of agricultural lands is proceeding actively and you will be asked to provide funds for it.

Legislation will be proposed to enlarge the funds of the Farm Credit Corporation, and allow greater flexibility in their use.

The need for training in agriculture and the present facilities have also been under review and as a sequel to these studies, a national conference on agricultural training is to be convened this fall.

The development and use of Canada's resources of energy must be a central feature of the program for national economic growth. The Twenty-Fourth Parliament has laid the groundwork for this in the National Energy Board Act and in other measures.

It is hoped that arrangements will soon be completed that will make it possible to submit for your approval the Columbia River Treaty and the legislation required in Parliament to implement it.

The national oil policy introduced by the Government two years ago has brought about a gratifying increase in the production and sale of Canadian oil.

Studies will be continued, in co-operation with the provinces, in relation to the long distance high voltage transmission of electrical power and the development of potential sources of hydro-electric power with a view to the ultimate establishment of a national power grid, which will facilitate the orderly utilization of the hydro-electric potential of Canada in the interests of expanding Canadian development and progress. Discussions are in progress with the Government of Manitoba in respect to studies of the Nelson River system.

My ministers have come to the conclusion that large scale, long-term contracts for the export of power surplus to Canada's needs, present and potential, should now be encouraged in order to expedite the development of major power projects in Canada which are too large to be supported by the domestic market. Such exports can also strengthen our balance of payments.

In recognition of the important role of transportation in the Canadian economy, you will be asked to approve measures to give effect to recommendations of the Royal Commission on Transportation which has now completed its comprehensive analysis of the Canadian railway problem. These changes are intended to remove the need for general horizontal freight rate increases which have borne so heavily in the past upon certain areas and groups of producers. You will also be asked to provide for an extension of the Freight Rates Reduction Act and the other interim railway subsidies provided by appropriation.

Amendments will be proposed to the Canada Shipping Act to preserve for Canadian vessels the coasting trade in the St. Lawrence and Great Lakes area. Funds will be requested to implement the program of shipbuilding subsidies announced some months ago.

You will be asked to provide for the continuation of the winter works program to assist municipalities in meeting seasonal unemployment.

Far-reaching changes are taking place in manpower requirements in Canadian industries as a result of automation, other technological developments and world competitive pressures. A measure will be placed before you designed to assist employers, workers and their organizations in meeting the impact of industrial change.

My Government will also place before you legislation to provide safeguards against accidents and hazards in works and undertakings within the federal fields of jurisdiction.

The committee inquiring into matters relating to the Unemployment Insurance Fund is expected to submit its report this autumn. Following consideration of this report, appropriate measures will be placed before you.

In order to permit the introduction of a national system of contributory old age pensions with disability and survivor benefits, an amendment to the British North America Act is required. The governments of all provinces except Quebec and Newfoundland have concurred in such an amendment. My Government is prepared to recommend to you the approval of an Address to Her Majesty requesting the amendment when the concurrence of these remaining provinces has been received.

As pension plans have become ever more widely extended in Canadian business, it has been increasingly recognized that measures are essential to protect the interests of those affected and in particular to ensure that the benefits earned are portable when workers move from job to job. Provincial Legislation would be required for this purpose in most cases, and several provinces are considering proposals of this nature. My Government will be prepared to place before you complementary legislation to deal with industries under federal jurisdiction when adequate progress has been made by provinces.

A measure will be placed before you to authorize the establishment of a national council of welfare to make more fully effective the action of both federal and provincial governments in this field.

You will be asked to approve amendments to the Food and Drugs Act to provide for more effective control of the distribution and sale of drugs in the interests of the public health.

You will be asked to enact legislation to provide for the establishment of a National Medical Research Council.

Legislation will be re-introduced to authorize the payment by federal crown corporations of certain provincial commodity taxes and fees.

Legislation will be proposed on university grants which will include authorization of payment of the higher grants announced some months ago and will provide alternative arrangements where supplementary provincial grants are made in lieu of federal grants.

A bill will be introduced to authorize a revision and codification of all federal statutes.

Bills will be introduced to amend the Judges Act, the Aeronautics Act, the Bankruptcy Act, the Coal Production Assistance Act and the Currency, Mint and Exchange Fund Act, and other statutes.

Members of the House of Commons,

You will be asked to appropriate the funds required to carry on the services and payments approved by Parliament.

You will be asked to abolish closure and to re-establish the special committee on procedure of the House.

Honourable Members of the Senate,

Members of the Commons,

I pray that God in His wisdom may enlighten you in the discharge of your duty towards our country.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

RAILWAYS BILL

FIRST READING

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

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION ON OCTOBER 3

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

Hon. W. Ross Macdonald: Dispense.

Hon. Mr. Choquette moved, seconded by Hon. Mr. Pearson:

That the Speech of His Excellency the Governor General be taken into consideration on Wednesday, October 3, 1962.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

Hon. Mr. Choquette moved, seconded by Hon. Mr. Emerson:

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

Motion agreed to.

COMMITTEE OF SELECTION

APPOINTMENT

Hon. Mr. Choquette moved, seconded by Hon. Mr. Sullivan:

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

Motion agreed to.

ADJOURNMENT

Hon. Mr. Choquette: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it stand adjourned until Tuesday, October 2, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, October 2, at 8 p.m.

THE SENATE

Tuesday, October 2, 1962

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

Prayers.

THE LATE SENATORS WALL, BOIS AND BRUNT

TRIBUTES

Hon. A. J. Brooks: Honourable senators, it is with deep regret that I rise on this sad occasion, one which marks the opening of so many sessions of the Senate. I must advise you that since we last sat in this chamber three most esteemed colleagues have passed to that "undiscover'd country, from whose bourn no traveller returns". None of the three senators had been long Her Majesty's servants in this chamber, but all left behind them a record of distinguished service on behalf of Canada.

The youngest, a man who indeed was in the prime of life, and yet the senior of the three, was Senator William Wall, of Winnipeg. Senator Wall was born in Canada of Ukrainian parents and was the first Canadian of Ukrainian descent to be appointed to the Senate. He himself described his appointment to this body as "a recognition of progress and contributions which had been made by Canadian Ukrainians in this country where they have found the freedom and opportunity to develop economically, politically, socially, and culturally".

Senator Wall was a graduate of the University of Manitoba and studied at Yale and Harvard. He held the degrees of Bachelor of Arts, Bachelor of Education, and Master of Education followed by extensive postgraduate work in educational administration. He came to the Senate as a distinguished representative of the educational field of western Canada. He served as a school principal and school administrator. From 1946 to 1953 he was President of the Ukrainian Catholic Council of Canada. He was active in the Canadian army reserve, where he held the rank of lieutenant-colonel, and in many worthwhile organizations in his native province of Manitoba.

Since being summoned to the Senate on July 28, 1955 he had been known to all as one most energetic and interested in the work of the Senate. During my short time here I knew him as one of our most capable, hard-working and respected senators.

I know that this expression joins with that of the late senator's many friends in all parts of Canada when I say to his widow and two children that we mourn with them in his passing. We assure them that he will be long remembered here where his contribution over the years stands forth so clearly in the annals of this house.

We also very deeply regret the passing of a distinguished son of the province of Quebec, Senator Henri-Charles Bois, who passed away at his farm home south of Montreal, only last July. I did not have the honour of knowing Senator Bois well, as he had been ill much of the time since my appointment to the Senate. However, I knew him by reputation as a distinguished Canadian who, while in this chamber and throughout his lifetime, had made an unexcelled contribution to the life of Canada. He was very well known, particularly in his own province of Quebec, where in the field of agronomy especially he was acknowledged as one of that province's foremost experts.

The late senator was educated at Lévis College, held a Bachelor of Arts degree from Laval University, was a graduate of Oka Agricultural Institute, and of Cornell University. His pursuit of excellence in his chosen field took him to Paris, France, where he continued his studies in agronomy. He saw military service in the armies of this nation in the First World War. He was Professor of Rural Economy at the Oka Agricultural Institute, Chief of the Rural Economy Service of the Quebec Ministry of Agriculture, and was an active promoter and supporter of the co-operative movement in the province of Quebec. He was also a member of the Royal Commission on Prices in 1948-49.

In his passing Canada has lost an expert in the field of agriculture who will be sorely missed, and we in this chamber have lost a respected and esteemed friend. To his widow and children I offer my deepest condolences.

All honourable senators will recall the deep sense of shock with which we received the news that our good friend Senator William R. Brunt had been killed in a motor accident on July 7 near his birthplace at Hanover, Ontario. We all knew Senator Brunt as a robust and vigorous man who warmed his hands before the fire of life. He was an ardent sporting enthusiast who loved to golf and was proud of his thoroughbred racing stable. As a lawyer and businessman he was monumentally successful. His cheerful, frank personality won him many friends.

Born on October 24, 1902 of Canadian parents of English and Irish descent, he received his education at Hanover public and high schools and studied at St. Andrew's College, University of Toronto, and Osgoode Hall. He left his law office and his many

business interests to come to the service of Canada in the Senate on October 12, 1957. During his five years here he was known as a man who was never found wanting when work was to be done. He was active on many standing committees, as were the other departed senators to whom I have referred, and everywhere throughout the Senate the results of his vigour and energy were to be felt.

All honourable senators will, I know, join me in expressing to Senator Brunt's widow and two children our sincere sympathy in this loss which we share with them. Senator Brunt will be remembered always as a distinguished Canadian and a leader in every field to which he turned his boundless energy and great capabilities.

To quote the words of the late Senator Arthur Meighen of some years ago: "The vision of man is short but the range of events is long."

Honourable senators, as I recalled briefly the biographies of these three prominent departed-colleagues of ours, I could not help thinking how representative of Canada they were and how appropriate had been their selection and appointment to the Senate of Canada, one each claiming descent from the two great mother countries of Canada, France and Britain, and the third a representative of the other great ethnic groups who have done so much to assist in extending, developing, and building our beloved country; one an outstanding agriculturist, one an outstanding educationalist, one an outstanding professional and businessman, each indicating the great possibilities with the type of men we have in this branch of our Government, the Senate, for work and service to Canada. They will indeed be sadly missed.

Hon. W. Ross Macdonald: Honourable senators, when Parliament was prorogued in April little did we think that we were seeing Senator Wall and Senator Brunt for the last time. With Senator Bois, it was somewhat different. He was a sick man when he left Ottawa and his passing did not come to us with such suddenness. I shall refer first to the late Senator Wall, then to Senator Brunt, and then to Senator Bois.

Senator Wall, as the honourable leader of the Government (Hon. Mr. Brooks) said, was the son of Ukrainian parents. He was the first of his nationality to be summoned to the Senate and he proved himself to be a worthy representative of his people. He was proud of them and they were proud of him. Senator Wall was a scholarly, Christian gentleman with a keen analytical mind. He was a close student of national and international affairs and had represented Canada abroad on several important missions.

The late Senator Wall took an active part in the work of the Senate, contributing much to it both in the chamber and in committee. He was most thorough in all he did. When he spoke we always knew what he was talking about. He spoke with conviction and only after acquiring a complete understanding of his subject. In other words, he always did his homework.

Our immigration policy annoyed him. He was impatient with Parliament's seeming delay in bringing in certain amendments of which he approved to both the act and the regulations. He did not advocate a wide-open policy, but he did think that our selective policy was far too narrow for a young, vigorous, Christian country. He championed the cause of those who advocated what he thought to be a more realistic policy.

Senator Wall was a devoutly religious man; he was an outspoken and courageous opponent of communism, about which he never failed to express his views when the occasion arose.

Honourable senators, may I now refer to our late colleague, the Honourable William R. Brunt. The news of Senator Brunt's tragic death came to us with shocking sadness. So stunned were we that it was days before we realized he would be no longer with us, or, shall I say, that in future he would be with us in spirit only.

From the day Senator Brunt entered the Senate he took a vital part in our work in all its aspects. He was found regularly in his place, and we shall not soon forget his keen and lively interest in everything and anything that had to do with the Senate.

He was a close friend and confidant of the Prime Minister and was high in the councils of his party, but it was his association with the Senate that brought us close to him, often with different political views but always as friends.

Senator Brunt, a lawyer by profession, attained the highest honour which can be bestowed upon a barrister by his fellow barristers when he was elected a Bencher of the Law Society of Upper Canada. He was prominent also, as the honourable Leader of the Government (Hon. Mr. Brooks) has said, in the business world. He was an ardent advocate of the system of free enterprise. Although at all times faithful to the Government which he had done so much to elect, he did not hesitate to support Senate amendments aimed at improving government legislation, especially if its purpose was to free private enterprise from what he felt to be too much government interference.

Honourable senators, these two Canadian statesmen, Senator Wall and Senator Brunt, who have been called to their reward in the

prime of life, were continually active in various aspects of our Canadian life, but their interests were in different fields of endeavour and apart from the Senate they had few interests in common. In many respects they were direct opposites but they had one very noticeable similarity. Each looked to his wife for advice and encouragement. Seldom in our corridors did you see either senator alone. Each was always in the company of his dear wife, whose friendship and greetings to her husband's friends will not soon be forgotten.

In the passing of these two senators Canada loses two of its most public-spirited citizens, Parliament loses two of its most faithful senators, and two families suffer irreparable loss. To Mrs. Wall and to Mrs. Brunt and their families I join with the Leader of the Government (Hon. Mr. Brooks) in extending our deep and abiding sympathy.

May I now refer to our other distinguished colleague, Senator Bois. He encouraged me to speak French, and I feel it would be appreciated if you will bear with me while I pay my tribute to him in his native tongue.

(Translation):

Senator Bois was an expert in all aspects of agriculture. He had an extensive knowledge of the agricultural conditions that prevail throughout Canada, and he was particularly familiar with the problems facing the farmers in Quebec where he was held in great respect as an agronomist.

He was known for his reserve. He did not speak often in the Senate but when he did he showed himself to be a learned man, well informed, a distinguished university graduate. His best contribution to the Senate was his work on the special Land Use Committee, of which he was an active member. He followed its deliberations closely and with great interest, and he made an important speech in the Upper House about the use of lands and forests. Among other things, he said that in his opinion there were too many unproductive lands and he recommended radical reforms to increase production and, at the same time, to secure for the farmers better living conditions.

(Text):

Honourable senators, I join with the Leader of the Government in extending to Madame Bois and her sons, on the passing of this distinguished Canadian, my deep sympathy.

Hon. Walter M. Aseltine: Honourable senators, I wish to say a few words with respect to our departed colleagues. I join with the eloquent remarks which have been made by the Leader of the Government (Hon. Mr. Brooks) and by the Leader of the Opposition (Hon. Mr. Macdonald). I agree with all that they have said.

First, I would like to say a few words about my old friend, William R. Brunt. I knew him much better than the other two senators who departed from this earth and have gone to their reward above. It was on the Sunday morning following the death by accident of Senator Brunt that I received a telephone message from Toronto, from our new senator, the Honourable Mr. Willis, imparting the sad news. I had seen Senator Brunt and talked with him very shortly before in the city of Moose Jaw, Saskatchewan, and his passing, therefore, was a great shock to me. Immediately I made plans to fly to Toronto and from there I proceeded to Hanover to attend the funeral on the Tuesday afternoon. I received notice of his death before I heard of the death of Senator Wall, which I understand took place on the same Saturday evening, July 7.

Although Senator Brunt had been a member of the Senate only since 1957, I had known him personally for over thirty years. I knew him when he was a student-at-law in Toronto. I had met him through his friendship with a charming young lady from Rosetown, whom he married a few years later. My wife and I were guests at the wedding, which took place in 1930. We were very closely associated from that time on.

I have always described Senator Brunt as the busiest man in Canada. At any rate, he was one of the busiest men I had ever met. He belonged to many clubs and societies, he held several directorates, and was a distinguished lawyer and a keen businessman. Senator Brunt was so active that I continually tried to slow him down, but that was an impossibility. He put his whole heart and soul into everything he attempted, including his work in the Senate. He was a great believer in the Senate as an important arm of government in Canada. As honourable senators know, he was my deskmate in the Senate for four years. In 1958 I nominated him as Chairman of the Standing Committee on Internal Economy and Contingent Accounts. He was a very capable chairman, and still held that position at the time of his death.

Senator Brunt was a comparatively young man when he died and his prospects for the future were great. I for one mourn his tragic death. His place in the Senate will be hard to fill. To his widow, Helen, to his son and daughter and other relatives, I extend my deepest sympathy.

Honourable senators, I would like now to say a few words about the Honourable Senator William Michael Wall, whose death was also a shock to me, though not as great a shock as that of the death of Senator Brunt, for I felt when he left Ottawa after Parliament prorogued that he was not long for this world; at least, he told me so. I was surprised that in his condition he took such an active

part in the election campaign. I fear that perhaps his activity shortened his life considerably.

Senator Wall was a man of many attributes, and a great student, as has been said by the two honourable leaders of this house. He graduated from the University of Manitoba, which was my alma mater, at the early age of 17 years, and he held degrees from Yale and Harvard universities in the United States.

I gathered from the remarks of the two leaders of this house that Senator Wall was an indefatigable worker. He was an able debater, and spoke on many subjects. He prepared his speeches with the utmost care, and we frequently had the pleasure of listening to him for he spoke on quite a number of subjects.

Senator Wall was particularly active in the Standing Committee on Banking and Commerce and in the Standing Committee on Immigration and Labour. As has been stated, he was an outstanding educationalist, and he took a very prominent part in the educational life of his native province of Manitoba. He died a comparatively young man who, had he lived, had a great future ahead of him. I know we are going to miss him very much and that his place will be difficult to fill.

I extend my deepest sympathy and regrets to his widow and sons.

Honourable senators, I was pleased to hear the Leader of the Opposition (Hon. Mr. Macdonald) speak about Senator Henri Charles Bois in the native language of the late senator. I was not nearly so well acquainted with Senator Bois as with Senator Brunt and Senator Wall, but we had many things in common. For example, we were both greatly interested in farming; he was interested in the kind of farming done in the provinces of Quebec and Ontario, and I in the kind of farming done on the prairies in western Canada. He had very extensive training, and had the reputation of being an expert in agricultural matters. On that account he was a most valuable member of this chamber. With not too many farmers in the Senate, he was one of those whose advice was sought in agricultural matters of every kind, and in particular he made a reputation for himself as a member of the Special Committee on Land Use of which the Honourable Senator Pearson lately has been chairman.

As has been stated by the honourable Leader of the House (Hon. Mr. Brooks), Senator Bois was for many years before coming to the Senate most closely associated with agricultural matters in the province of Quebec where he held many important government positions. He was a senator for only five years, a comparatively young man when he passed away. He had the prospect of many useful years ahead of him. His passing is much regretted, and I extend my deepest sympathy to his widow and children.

Hon. Gunnar S. Thorvaldson: Honourable senators, may I join with other honourable senators in paying a brief tribute to my friend and colleague of many years, the late Senator William R. Brunt. As you are all aware, the death of Senator Brunt was the first to occur among that newer group of senators who began to come into this chamber in the latter part of 1957. Consequently, this occasion is a particularly sad one for those of us who claim to belong to that era and who were, and had been for many years, so closely associated with him, especially in the political field.

Senator Brunt was one of the most active and hard-working men I have ever known. Apart from his duties in the Senate, which were manifold, I was amazed at the variety of his interests, not only in the political sphere generally but also in the legal profession in which he had been engaged all his adult life and in which he had the distinction of being a Bencher of the Law Society of Upper Canada; also in various enterprises, business, athletic, and philanthropic, which occupied his daily life. Indeed, many of these endeavours were closely related to the grass roots of rural Ontario.

He was that rare type of person, born and brought up in the country, mixing in his early life with rural development and then dividing his later life between rural and urban affairs. But above all else, Senator Brunt had an amazing capacity for personal friendships which, once acquired, whether early or late in life, became permanent and never to be forgotten.

There can be no greater testimony of the truth of this observation than the funeral service held in the late senator's home in Hanover, Ontario. It was attended by a tremendous host of friends from every part of Canada, and additional tribute was paid to him by hundreds of residents who lined the streets of Hanover while the funeral procession passed along.

This chamber, and especially this side of it, has suffered a severe loss in Senator Brunt's death. May I join in extending to his widow, son and daughter my sincere regrets and deepest sympathy.

May I also join other honourable senators in an expression of sincere regret in the death of Senator Wall and of Senator Bois, and to express my sympathy to the families of these senators who have gone to their last reward.

(Translation):

Hon. Cyrille Vaillancourt: Irony of fate indeed. At the prorogation a few months ago, there were talks about retiring senators attaining the age of 75 years. In those few short months, three of our colleagues have died, all three were much younger than 75.

I mention Senator Brunt first because he was acting leader on the other side of the house and was appointed to the Senate on October 12, 1957. Scarcely 55 years old, Senator Brunt departed in a very tragic way. He was a distinguished lawyer, a pillar of the Conservative party and one of its main organizers.

I always watched with a keen interest the reactions mirrored in his countenance when his own fellow supporters or senators on this side of the house made certain remarks.

Perhaps he had been told before he joined us, that the Senate was some kind of a club for rather old men. He soon realized, however, that on the contrary the Upper Chamber was a necessary element in our parliamentary organization and, later, he became one of its upholders on the ground that it is an essential institution to check decisions perhaps prematurely reached sometimes by the other house.

Another of our colleagues died still quite young. Senator William H. Wall passed away at the age of 50.

He was an excellent professor and reflected on the great economical and social problems which he explained to us in a very detailed way. An untiring worker, he was a model of integrity. If, sometimes according to his colleagues, his speeches were rather long, it was because he aimed at perfection in all his undertakings.

Senator Wall was the first representative of his Ukrainian countrymen in this house and he did represent them with dignity. Moreover, he was a firm believer, in his private life as well as in his public life, and he was always true to himself.

A third colleague, Senator Henri C. Bois, passed away at the age of 65. I knew him well, in fact I have always known him because we went to the same college. I was in my last year when he was beginning his studies. Further, he was from Lévis. Later we met at Oka's Agricultural Institute.

During World War I, Mr. Bois served as a lieutenant in the Canadian Army in Europe. Back to civilian life, he was appointed Professor of Rural Economics at the Oka Agricultural College. In 1929 he became head of the Rural Economics Branch of the Quebec Department of Agriculture. He was one of those who contributed most to the implementation of the new agricultural co-operation act of the province of Quebec. Appointed secretary to the Royal Commission on the Dairy Industry of Quebec in 1933, he was soon to become president of that commission. Promoter and first president of the Corporation of Agronomists of the Province of Quebec, in 1937, he was appointed, in 1938, secretary of the Federation of Quebec Co-operatives, then a little later became general manager of the Federation, and occupied the position until 1957.

The Federation of Quebec Co-operatives is the great agricultural co-operation organization in our province; if it did not exist, I wonder what would the fate of our farmers be today. Mr. Bois gave a strong impetus to that organization. When he assumed the position of general manager in 1942, sales were of the order of $11.5 millions, and when he left in 1957 they had reached $80 million. This shows the great work accomplished by the deceased.

Mr. Bois was a graduate from the Oka Agricultural College, the University of Montreal, the Institut Agronomique and the Institut Catholique de Paris.

From 1944 to 1948 he was president of the Superior Board of Co-operation of Quebec, and from 1953 to 1955 mayor of St. Bruno.

When Senator Bois passed away, the farmers in Quebec lost a great promoter and defender; the agricultural community and the whole agricultural sector of the Canadian economy lost a most dedicated friend. This is what inspired the president of the Canadian agricultural federation to say that Mr. Bois was generally known as an energetic pioneer among agricultural and co-operative organizations. And Mr. H. H. Hannam added that Mr. Bois has left his mark and that he deserved credit for having prominently contributed to the welfare of all the farmers in Canada.

To the families of our three friends departed, I wish to offer our homage and our most sincere condolences. Their example will enable us to have a better appreciation of their magnificent deeds. We offer most sincere condolences to all.

(Text):

Hon. John J. Connolly: Honourable senators, I know that my saying something about our three colleagues who have died since last we met is bound to be somewhat repetitious, but, despite the fact the two leaders and other honourable senators have spoken so feelingly and so touchingly, I would like the opportunity of paying a short tribute to each of them. I think this is the first time I have participated in paying tributes, because I have always considered myself one of the

very junior senators. However, each of these three late colleagues came to this chamber after I was appointed.

I knew Senator Wall better than our other late colleagues. For him to have died at the age of 51 years is a great tragedy, not only for this chamber but for the country as well. He had been in ill health for several years.

Senator Wall was an educator, a very well qualified educator, and he understood the purpose of education. I believe it was because of his education that the quality of his work in the Senate was not only high, but grew in importance as it developed. He was a useful member of this chamber and an ornament to it. The personal research he undertook was displayed in the kind of speeches he made and in the kind of work he did in committees —in particular, if I may say so, the Special Committee on Manpower and Employment which sat two years ago.

The honourable leaders on both sides of this chamber have referred to the fact that Senator Wall was the first senator of Ukrainian origin to be appointed. He brought here a deep concern for the welfare of his people, of the people of his forefathers, and an equally deep concern for others similarly situated in the grip of communism in Europe. I believe that the speeches he made here on these subjects bear re-reading by all of us.

As the honourable Leader on this side (Hon. Mr. Macdonald) has said, Senator Wall was a deeply religious man, but he was also very conscious of the importance of religion in the history and the life of a people and of nations. Many of his speeches referred to the condition of peoples behind the Iron Curtain, and he pointed out that in so many cases very few of them have little to fall back upon in these days other than the religion in which they believe.

Senator Wall's death is a loss to the Senate; it is also a personal loss to many honourable senators, because both he and his wife enjoyed a personal popularity in this chamber and in Parliament, one which is enjoyed perhaps by very few of us.

(Translation):

I should now like to say a few words in the late Senator Henri Bois' mother tongue. Senator Bois' stay here was of short duration. He was appointed to the Senate in 1957. He had received a fine education in Canadian and American universities. He served in the armed forces during World War I. Having devoted practically all of his professional career to agriculture, he was an expert in that field and that is why the Right Honourable Louis St. Laurent appointed him to the Senate when the Committee on Land use in Canada was established.

He understood the problems of agriculture, the problems of farmers throughout Canada but especially of farmers from the province of Quebec. He was convinced of the urgency of industrialization in his province but he did not underestimate the importance of farming and of family values in his native province. He never forgot the tradition which is illustrated by the word *habitant*.

Unfortunately, he was in poor health and, as a result of his death, the Senate is deprived of a distinguished, devoted, competent and sincere statesman.

(Text):

Regarding my friend Bill Brunt—for I believe he was a friend of us all—the shock that the Honourable Mr. Aseltine described was, I am sure, shared by every one of us.

Senator Brunt was a lawyer of eminence and high standing in this province. He was an energetic administrator, and we in this chamber saw all the evidence of that great quality. Bill Brunt was a party man, one who worked with sincerity in the interests of the party he supported. He was respected as a power in that party, and with reason. I believe I can speak out of some knowledge of his approach when I say that he served his party with a sense of objectivity, without venom, never with a descent to personalities, and always with a capacity to appreciate an opponent's position.

In this country, where we have the party system, Bill Brunt, in his work for his party, and on this count alone, made a worthy contribution to the welfare of our parliamentary institutions and our public life. Of course he was interested in the work of the Senate, and he did a great deal—particularly in the work of the Standing Committee on Internal Economy, of which he was chairman—to make the Senate a more effective, a more useful instrument in the functioning of Parliament. Again, his work in the Special Committee of the Senate on Manpower and Employment was outstanding, because that committee could not have been a success had there not been co-operation from both sides of this chamber. We have Senator Brunt to thank for much of the understanding and co-operation that went into the establishment and the effective working of that committee.

Hon. Olive L. Irvine: Honourable senators, may I be permitted to share in the tributes being paid this evening to the memory of our colleagues and in particular to a native of my own province of Manitoba, the late Senator Wall.

Senator Wall, as has been said, was of Ukrainian descent, a graduate of the University of Manitoba who later took post-graduate work at both Yale and Harvard. He was a keen student in every sense of the word.

His career in public affairs was characterized by his integrity, courage and steadfastness of faith. To his intimates he was a warm and sensitive personality. The page of this young life is turned forever. May he rest in peace as he served with honour.

I join with the honourable leaders of both sides of this house and with other honourable senators in extending our profound sympathy to the members of his family, as well as to the families of the late Senator Brunt and Senator Bois.

Hon. M. Wallace McCutcheon: Honourable senators, it is a matter of great regret to me that the first occasion on which I should have the opportunity of addressing this honourable assembly should be in the sad background which is surrounding us this evening, but I felt I could not let the opportunity pass without joining the two honourable leaders and other honourable members in paying tribute to your late colleague and my great friend the Honourable William R. Brunt.

With what the leaders have said and with what other honourable senators have said as to Senator Brunt's public, business and professional activities, I am in complete agreement and could add nothing to it. I would like to speak very shortly about some of his personal qualities.

I knew Senator Brunt for some forty years. We were at university together; we were at law school together, and we became fast friends among a small group of friends. I have learned, as no doubt many honourable senators have, that one has very few close friends, and in that small group Bill Brunt's passing has left a great gap. He had a profound interest in people, great enthusiasm and joy for life, coupled with tremendous vitality. I never saw Bill Brunt depressed. He never turned back. What had been was, and he moved on to the next task with that dynamic energy with which I am sure you were all familiar. Above all he was a good friend. He possessed the quality of loyalty to a degree that few men have. He never turned his back on an old friend or an associate.

While Senator Brunt made his home in Toronto for nearly forty years, it was a rare week he did not spend some time in his home town of Hanover, and it was as the "Senator from Hanover" he was proud to be designated. It is difficult even now to realize that he is not here and it is still a shock to recall the tragic circumstances which took him from us so suddenly and unexpectedly.

I could relate many incidents to illustrate these and the other outstanding qualities to which I have referred so briefly but, as the Honourable Senator Thorvaldson has said, those who were at his funeral observed the greatest tribute that could possibly be paid to him. As the cortège moved from the church along the main street of Hanover toward the cemetery, the street was lined on both sides for some blocks with his fellow townsmen. The whole town of Hanover paused to honour his memory. There was no sound save the tolling of the bells, the bells which he had provided for the church in memory of his parents.

If there be a group of people who can attest to the true qualities of an individual, it is surely those who knew him intimately as boy and man. The judgment of the people of Hanover was there for everyone to see on that July afternoon.

It was not my good fortune to know Senator Wall or Senator Bois, but I would like to associate myself with other honourable senators in the tributes that have been paid to them and in sympathy to their families.

Hon. John Hnatyshyn: Honourable senators, I should like to associate myself with what has been said by the honourable Leader of the Government (Hon. Mr. Brooks) and the honourable Leader of the Opposition (Hon. Mr. Macdonald) and other honourable senators about our three colleagues who have passed away.

Of these three I knew the late Senator William Wall the longest because I first met him in 1929 when he attended the University of Saskatchewan for a year. From then to the time of his death I knew him to be a hard and conscientious worker, always expressing his viewpoint with great vigor. He showed the same qualities in his service to the Senate. I wish to join with all other honourable senators in extending to his widow and to his two children my sincere sympathy on the loss of a good husband and father, and a great Canadian.

As has been pointed out, the passing of the late Senator William R. Brunt came as a tragic shock to all of us. I had the privilege of knowing Senator Brunt since 1938, and I join in all that has been said tonight, that at all times in his profession, in his community activities and his activities as a member of the Senate, he played a very distinguished and important part. To his widow, who comes from my native province, and to his two children I extend my sincerest sympathy.

It was not my pleasure, honourable senators, to know the late Senator Bois for as long a time as I knew Senator Wall and Senator Brunt. I met him first when I was appointed a member of this house, but I knew something of his activities in his own province. He was held in high regard by his province and by this house. To his family also I extend my sincerest sympathy.

Hon. Harry A. Willis: Honourable senators, as a freshman senator I pray your indulgence. I would not have risen so early in this present session had I not been an intimate friend of the late Senator Brunt. My conscience would not be clear if I did not, in a chamber of which I am a member, rise to pay my tribute to one of my closest friends.

Senator Brunt and I grew up in rural Ontario. We attended Osgoode Hall together and we practised law in Toronto. We then became associated in something that I think is unknown in this chamber, namely, a political association. Bill Brunt and I for the last thirty years were members of a political association in the province of Ontario, and for the last six years I was the chairman of a three-man committee of which he was a member.

On Thursday, July 5, I was here in Ottawa with Senator Brunt. He showed me some of the ropes. On the Friday I went to Cornwall where, as honourable senators know, there was a pending by-election. The late Senator Brunt telephoned me long distance twice on that day. We were to meet on the following Sunday, but unfortunately at twenty minutes to one on the Sunday morning I was awakened to learn that my dear friend had died.

Senator Brunt, as all honourable senators will know through their association with him for some five or six years, was a man of energy and ambition. He was clear-eyed and he knew where he was going. He was a friend of the Prime Minister of Canada and almost a member of the Government, yet he was a friend of all in this chamber.

Senator Brunt died suddenly in a motor car collision. I do not know whether honourable members of this chamber know this, but after the collision took place Bill Brunt got out of his car and said, "Get me a doctor. I think I am dying. Do what you can". That was typical of Bill Brunt. I think the words of the poet William Cullen Bryant can be said of Senator Brunt:

> So live, that when thy summons comes to join
> The innumerable caravan which moves
> To that mysterious realm, where each shall take
> His chamber in the silent halls of death,
> Thou go not, like the quarry-slave at night,
> Scourged to his dungeon, but, sustained and soothed
> By an unfaltering trust, approach thy grave,
> Like one that wraps the drapery of his couch
> About him, and lies down to pleasant dreams.

That was the late Senator Brunt.

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN TABLED

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate the report of the Parliamentary Librarian to the First Session of the Twenty-fifth Parliament, 1962.

Ordered: That the report do lie on the Table.

BANKRUPTCY ACT

BILL TO AMEND—FIRST READING

Hon. A. J. Brooks presented Bill S-2, to amend the Bankruptcy Act.

He said: Honourable senators, I have the honour to present a bill intituled: "An Act to amend the Bankruptcy Act". As a short explanation of this bill, may I say that its purpose is to correct certain abuses that have occurred in the administration of small estates under the Bankruptcy Act.

Bill read first time.

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

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

Motion agreed to.

DIVORCE

REPORT OF COMMITTEE OF SELECTION ADOPTED

Hon. Walter M. Aseltine, Chairman of the Committee of Selection, presented the committee's first report:

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

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

Hon. Mr. Aseltine: With leave of the Senate, I move that the report be adopted now.

Report adopted.

APPOINTMENT OF COMMITTEE

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

> That the senators mentioned in the first 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.

Hon. Arthur W. Roebuck: Honourable senators, may I, as chairman of the Divorce Committee for several past sessions, say a word? I am not now chairman, as the committee for this session has not yet been constituted.

May I congratulate those who have served on this committee at previous sessions on their being re-appointed. I rise particularly to say that I welcome the new member on the committee, Honourable Mr. Haig, the very worthy son of a most distinguished colleague of ours in the past. I assure him that he will find some satisfaction in belonging to this committee. There is among its members a friendship and good fellowship which I am sure he will enjoy. I hope that he will find great satisfaction in the public service which he is undertaking.

Motion agreed to.

DOCUMENTS TABLED

Hon. A. J. Brooks: Honourable senators, I have a list of some fifty documents to table at this time, and I hope that I may be excused from reading it. Have I your permission to dispense with the reading of this list?

Hon. Mr. Macdonald (Brantford): Agreed.

The following documents were then tabled:

Report of the Board of Trustees of the Queen Elizabeth II Canadian Fund to Aid in Research on the Diseases of Children, including the Auditor General's Report on the financial statements of the board, for the fiscal year ended March 31, 1962, pursuant to section 15 of the Queen Elizabeth II Canadian Research Fund Act, chapter 33, Statutes of Canada, 1959. (English and French texts).

Copies of Statutory Orders and Regulations published in the *Canada Gazette,* Part II, of Wednesday, April 25, May 9 and 23, June 13 and 27, July 11 and 25, August 8 and 22, and September 12, 1962, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C. 1952. (English and French texts).

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette,* Part II, for the periods January 1, 1955, to March 31, 1962, and January 1, 1955, to June 30, 1962. (English and French texts).

Report of the Royal Commission on Transportation (W. A. MacPherson, Q.C., Chairman), volume III (final), dated July 1962, together with a summary of the said report. (English and French texts).

Report of the Royal Commission on Government Organization (J. Grant Glassco, Esq., Chairman), volume I, dated July 18, 1962. (English and French texts).

Report of Canadian Overseas Telecommunication Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the year ended March 31, 1962, pursuant to sections 22 and 23(1) of the Canadian Overseas Telecommunication Corporation Act, chapter 42, and sections 83(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the National Film Board of Canada for the fiscal year ended March 31, 1962, pursuant to section 20(2) of the National Film Act, chapter 185, R.S.C., 1952, including the Report of the Auditor General on the accounts of the board. (English and French texts).

Report of the National Librarian for the fiscal year ended March 31, 1962, pursuant to section 13 of the National Library Act, chapter 330, R.S.C., 1952. (English and French texts).

Copies of Ordinances, chapters 1 to 17, made by the Commissioner in Council of the Northwest Territories, assented to on August 4, 1962, pursuant to section 15 of the Northwest Territories Act, chapter 331, R.S.C., 1952, as amended 1953-54, together with copy of Order in Council P.C. 1962-1193, dated August 22, 1962, approving same. (English text).

Copies of Ordinances, chapters 1 to 27, made by the Commissioner in Council of the Yukon Territory, assented to March 28 to May 11, 1962, pursuant to section 20 of the Yukon Act, Chapter 53, Statutes of Canada, 1952-53, together with copy of Order in Council P.C. 1962-859, dated June 12, 1962, approving same. (English text).

Copy of Ordinance, chapter 1, made by the Commissioner in Council of the Yukon Territory, assented to July 5, 1962, pursuant to section 20 of the Yukon

Act, chapter 53, Statutes of Canada, 1952-53, together with copy of Order in Council P.C. 1962-1289, dated September 12, 1962, approving same. (English text).

Copy of Ordinance, chapter 1, made by the Commissioner in Council of the Yukon Territory, assented to July 24, 1962, pursuant to section 20 of the Yukon Act, chapter 53, Statutes of Canada, 1952-53, together with copy of Order in Council P.C. 1962-1289, dated September 12, 1962, approving same. (English text).

List of Apportionments and Adjustments of Seed Grain, Fodder for Animals and other Relief Indebtedness, for the period from January 19 to September 27, 1962, pursuant to section 2 of An Act respecting Certain Debts due the Crown, chapter 51, Statutes of Canada, 1926-27. (English text).

Statement concerning refunds under the Refunds (Natural Resources) Act, for the period January 18 to September 27, 1962, pursuant to section 3 of the said Act, chapter 35, Statutes of Canada, 1932. Nil statement.

Report of the Northern Canada Power Commission, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1962, pursuant to section 24 of the Northern Canada Power Commission Act, chapter 196, as amended 1956, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English text).

Capital Budget of the Northern Canada Power Commission for the year ending March 31, 1963, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with copy of Order in Council P.C. 1962-611, dated April 19, 1962, approving same. (English text).

Report of the Auditor General on the Examination of the Accounts and Financial Statements of the National Battlefields Commission for the fiscal year ended March 31, 1962, pursuant to section 12 of An Act respecting the National Battlefields at Quebec, chapter 57, Statutes of Canada, 1907-8, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English text).

Estimates of Expenditures and Budget of the National Battlefields Commission, for the year ending March 31, 1963, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with copy of Order in Council P.C. 1962-502, dated April 9, 1962, approving same. (English text).

Report of Proceedings under the Canada Water Conservation Assistance Act, for the fiscal year ended March 31, 1962, pursuant to section 8 of the said Act, chapter 21, Statutes of Canada, 1952-53. (English text).

Report of the Director of Investigation and Research, Combines Investigation Act, for the fiscal year ended March 31, 1962, pursuant to section 44 of the said Act, chapter 314, R.S.C., 1952. (English text).

Report, dated August 2, 1962, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the manufacture, distribution and sale of paperboard shipping containers and related products. (English text).

Report, dated August 2, 1962, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the acquisition of the common shares of Hendershot Paper Products Limited by Canadian International Paper Company. (English text).

Report, dated August 2, 1962, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the acquisition by Bathurst Power & Paper Company Limited of Wilson Boxes, Limited. (English text).

Report, dated August 28, 1962, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the manufacture, distribution and sale of evaporated milk and related products. (English text).

Report of the Department of Forestry for the fiscal year ended March 31, 1961, pursuant to section 12 of the Department of Forestry Act, chapter 41, Statutes of Canada, 1960. (French text).

Report on the Activities of the Food and Agricultural Organization of the United Nations for the year 1961-62, pursuant to section 3 of the Food and Agricultural Organization of the United Nations Act, chapter 122, R.S.C., 1952. (English and French texts).

Report of the Board of Broadcast Governors for the fiscal year ended March 31, 1962, pursuant to section 19 of the Broadcasting Act, chapter 22, Statutes of Canada, 1958. (English and French texts).

Report of the Canadian Broadcasting Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1962, pursuant to section 36 of the Broadcasting Act, chapter 22, Statutes of Canada, 1958, and sections

85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the Civil Service Commission of Canada for the calendar year ended December 31, 1961, pursuant to section 76(1) of the Civil Service Act, chapter 57, Statutes of Canada, 1960-61. (English and French texts).

Order in Council P.C. 1962-533, dated April 12, 1962, amending the Yukon and Mackenzie River Electoral Districts Election Fees Tariff made by Order in Council P.C. 1961-436, dated March 23, 1961, pursuant to section 60(2) of the Canada Elections Act, chapter 39, Statutes of Canada, 1960. (English and French texts).

Report of the Department of the Secretary of State of Canada for the fiscal year ended March 31, 1962, pursuant to section 8 of the Department of State Act, chapter 77, R.S.C., 1952. (English and French texts).

Capital Budget of the Farm Credit Corporation for the fiscal year ending March 31, 1963, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S.C., 1952, together with copy of Order in Council P.C. 1962-487, dated April 5, 1962, approving same. (English text).

Report of the Agricultural Products Board for the calendar year ended December 31, 1961, pursuant to section 7 of the Agricultural Products Board Act, chapter 4, R.S.C., 1952. (English and French texts).

Report of the Agricultural Stabilization Board for the fiscal year ended March 31, 1962, pursuant to section 14 of the Agricultural Stabilization Act, chapter 22, Statutes of Canada, 1957-58. (English and French texts).

Report, for the calendar year 1961, of the Board of Grain Commissioners for Canada. (English text).

Report on Prairie Farm Rehabilitation and Related Activities for the fiscal year ended March 31, 1961, pursuant to section 12 of the Prairie Farm Rehabilitation Act, chapter 214, R.S.C. 1952. (English text).

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

Report of the Fisheries Prices Support Board for the fiscal year ended March 31, 1962, pursuant to section 7 of the Fisheries Prices Support Act, chapter 120, R.S.C., 1952. (English text).

Order in Council P.C. 1962-299, dated March 8, 1962, authorizing the manner in which fishing bounty may be distributed for the fiscal year ended March 31, 1962, together with a Statement of the mode in which such payments were authorized for the said year, pursuant to section 4 of the Deep Sea Fisheries Act, chapter 61, R.S.C., 1952. (English text).

Statement of Receipts and Expenditures under Part V of the Canada Shipping Act (Sick Mariners) for the fiscal year ended March 31, 1962, pursuant to section 321 of the said Act, chapter 29, R.S.C., 1952. (English and French texts).

Report on the Operation of Agreements with the Provinces under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1962, pursuant to section 9 of the said act, chapter 28, Statutes of Canada, 1957. (English text).

Report on the Operations of the Farm Improvement Loans Act for the calendar year ended December 31, 1961, pursuant to section 13 of the said act, chapter 110, R.S.C., 1952. (English and French texts).

Report on the Operations of the Veterans' Business and Professional Loans Act for the fiscal year ended March 31, 1962, pursuant to section 13 of the said act, chapter 278, R.S.C., 1952. (English and French texts).

Report on the operations of the Fisheries Improvement Loans Act for the fiscal year ended March 31, 1962, pursuant to section 12(2) of the said act, chapter 46, Statutes of Canada, 1955. (English and French texts).

Report on the Government Annuities Act for the fiscal year ended March 31, 1962, pursuant to section 16 of the said act, chapter 132, R.S.C., 1952. (English text).

Report on the Industrial Relations and Disputes Investigation Act for the fiscal year ended March 31, 1962, pursuant to section 68 of the said act, chapter 152, R.S.C., 1952. (English text).

Report on the Technical and Vocational Training Assistance Act for the fiscal year ended March 31, 1962, pursuant to section 13 of the said act, chapter 6, Statutes of Canada, 1960-61. (English text).

Report of the Unemployment Insurance Commission for the fiscal year ended March 31, 1962, pursuant to section 95(2)

of the Unemployment Insurance Act, chapter 50, Statutes of Canada, 1955. (English text).

Report of the Unemployment Insurance Advisory Committee for the fiscal year ended March 31, 1962, pursuant to section 90(2) of the Unemployment Insurance Act, chapter 50, Statutes of Canada, 1955. (English text).

Report of the National Capital Commission, Part I, for the fiscal year ended March 31, 1962, pursuant to section 85(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of the National Capital Commission, Part II, being its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1962, pursuant to section 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report on the Administration of the Small Businesses Loans Act for the calendar year ended December 31, 1961, pursuant to section 11 of the said act, chapter 5, Statutes of Canada, 1960-61. (English and French texts).

Report on the Operations under Part II of the Export Credits Insurance Act for the fiscal year ended March 31, 1962, pursuant to section 27 of the said act, chapter 105, R.S.C., 1952. (English text).

Report of the State of the Unemployment Insurance Fund and the Transactions under section 86 of the Unemployment Insurance Act for the fiscal year ended March 31, 1962, pursuant to section 87 of the said act, chapter 50, Statutes of Canada, 1955. (English text).

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

Report of Defence Construction (1951) Limited, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1962, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Report of Crown Assets Disposal Corporation, including its Accounts and Financial Statements certified by the Auditor General, for the fiscal year ended March 31, 1962, pursuant to section 14 of the Surplus Crown Assets Act, chapter 260, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

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

DIVORCE

NOTICE OF COMMITTEE MEETING

Hon. Arthur W. Roebuck: Honourable senators, before the motion to adjourn is put, may I say that notices are being handed out at the moment for a meeting of the committee on divorce at 10.15 tomorrow morning. As a number of us are going to be engaged at about that time, may I suggest to my fellow members that we meet at 11 o'clock instead of 10.15. I think that will give us time to transact the business that I know is coming before us.

Hon. Mr. Brooks: I know the members on this side of the house have another engagement at 11 o'clock, and it would not be altogether convenient for them to meet at that time.

Hon. Mr. Macdonald (Brantford): How about 2.30?

Hon. Mr. Aseltine: Two o'clock.

Hon. Mr. Choquette: I suggest two o'clock.

Hon. Mr. Roebuck: Are there any other suggestions? I would be satisfied to meet at two o'clock, but we must remember that this house will sit at three o'clock. I accept the suggestion and ask the members to kindly remember that we shall meet at two o'clock tomorrow instead of 10.15 as stated in the notice.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, October 3, 1962

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

Prayers.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Report of Proceedings under the Trans-Canada Highway Act for the fiscal year ended March 31, 1961, pursuant to section 9 of the said act, chapter 269, R.S.C., 1952. (French text).

Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, September 26, 1962, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Statement on the Operations of the Civil Service Insurance Act for the fiscal year ended March 31, 1962, pursuant to section 21(2) of the said act, chapter 49, R.S.C., 1952. (English text).

Report of Operations under the Bretton Woods Agreements Act (International Monetary Fund, International Bank for Reconstruction and Development, and International Finance Corporation) and Report of Operations under the International Development Association Act for the fiscal year ended March 31, 1962, pursuant to section 7 of the first-mentioned act, chapter 19, R.S.C., 1952, section 5 of the latter act, chapter 32, Statutes of Canada, 1960. (English text).

DIVORCE

PETITIONS

Hon. Arthur W. Roebuck: Honourable senators, I have the honour to present a number of petitions for divorce.

At this point may I say that the Divorce Committee held its first meeting this afternoon at 2 o'clock, as was arranged in the Senate yesterday, and I had the honour to receive a vote of confidence for the present session, a gesture which I highly appreciate.

The Divorce Committee is probably the hardest working committee in Parliament; certainly it is in the Senate. So far as I know, no other committee meets so often and deals with so large a number of matters, all of which must be considered carefully, and accepts responsibilities so continuously and with such devotion, as does the Divorce Committee. Under those circumstances, I look upon it as quite an honour to have the chairmanship of a committee of that calibre. Perhaps on this occasion I might quote the words of Job to this effect: It is well a man takes satisfaction in his work, for that is his portion.

We will have no lack of work during this session for, honourable senators, I now have the pleasure of presenting 720 petitions in divorce.

That number, of course, needs some explanation. Of that number, 325 cases were presented to you at the last session of Parliament, were considered and approved by the committee for the issuing of bills of divorce, were recommended to the Senate, passed by the Senate and sent to the House of Commons. As you all know, they were not passed by the Commons. Those bills died on the Order Paper when Parliament was dissolved. I was in the gallery of the other place yesterday when a motion was passed to return the evidence and papers in connection with these petitions to the Senate. In fact, they had been returned a long time ago, but that at least regularized the fact that these 325 cases are again before us.

Actually there were 327 bills which died on the Order Paper. In one case the respondent is deceased and, of course, the claim for a bill of divorce goes with the death of the respondent; and in another case the parties have decided not to proceed. All but 19 of the 325 petitions which I now present on behalf of that group are ready to proceed. The petitioners have complied with our requirements, have notified us they wish to go on and have filed affidavits negativing condonation in the interval. We shall proceed to deal with that great body of cases, 306, commencing tomorrow morning.

As for the balance, there are 395 new cases. I have not checked the figures, but my impression is that that is the largest number of cases I, as chairman of this committee, have ever presented at an early sitting of the Senate. We have handled more cases than that, but never in my memory have we presented so large a number at the first sittings of a session. So, honourable senators, I now present 720 petitions in divorce.

Hon. John G. Higgins: Honourable senators, may I ask the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) if, with respect to all of those cases that were heard during the last session, it is necessary to hear all the evidence again or can the evidence already heard be accepted at this session?

Hon. Mr. Roebuck: It is my opinion, honourable senators, that we have every right to rely upon the evidence heard at the last session, notwithstanding the fact this is a new

Parliament and our rules provide that the evidence of the parties shall be heard by the committee. Nevertheless I shall ask for the consent of the house to accept the committee's reports when they are presented. We are justified, I think, in law, and certainly in common sense, in not hearing the evidence over again.

There is only one point on which we have to be guarded, and that is that the parties have not lived together in the meantime. That is to say, we have to ascertain that condonation has not taken place. In each of the cases that come before you there will be an affidavit to that effect by the parties involved. Apart from that, I think we are justified in relying upon the evidence we have already heard.

All honourable senators will agree with me, I am sure, that it was through no fault of the litigants that these bills were not passed at the last session, and it would be most unjust were we to ask them to pay a further parliamentary fee. A resolution will be passed by the Divorce Committee asking for the remission of the parliamentary fees for those who paid them at the last session.

Hon. A. J. Brooks: Honourable senators, I would like to say a few words. In the first place I am very pleased, and I know all honourable senators are, that satisfactory arrangements have been made for dealing with those divorce bills which were not passed by Parliament during the last session. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has said that this was not the fault of the litigants. Neither was it the fault of the Standing Committee on Divorce nor of most members of the House of Commons.

I have never been a member of the Senate Standing Committee on Divorce, but having been a member of the House of Commons for many years I know of the splendid work that this committee has done, and I want to congratulate its chairman (Hon. Mr. Roebuck). I am delighted to see that he is in such robust health, and able to carry on this same strenuous work that he has been doing for many years.

The Divorce Committee performs one of the most thankless tasks required of any committee of Parliament. But it is a task that must be performed, and has been performed well by an excellent committee under the chairmanship of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck).

I might add, honourable senators, that over the years I have heard lawyers who have practised before the Standing Committee on Divorce of the Senate and also before other divorce courts in Canada, state that for courtesy, efficiency and good judgment there is no court in Canada which excels the divorce court of the Canadian Senate.

I felt I would like to pay that tribute to the chairman and to his excellent committee.

Hon. W. Ross Macdonald: Honourable senators, I have no hesitancy whatsoever in supporting the remarks of the honourable Leader of the Government (Hon. Mr. Brooks) and saying how pleased we on this side of the house are that the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has once again assumed the onerous duties of chairman of this committee.

Members of this committee do more work than those of us who are not on the committee. Honourable senators will recall that the Divorce Committee sits on Mondays, Tuesdays and Fridays when very often the Senate has been adjourned. They stay here when those of us who are not on the committee are able to go away or be engaged in other work around the building. They must be here on those days to sit on the court and hear the divorce proceedings.

Therefore, I wish to commend not only the honourable senator from Toronto-Trinity for the splendid leadership which he has given but also those who are on the committee and are prepared to stay here and do this very necessary work.

The members of the committee, headed by the honourable senator from Toronto-Trinity, are very able men and women. Many of them have legal training and all of them have wide experience. They are more than adequately qualified to serve on this committee and to hear these divorce petitions, both from the legal standpoint and from the human side. I feel that, so long as divorce petitions must come before Parliament, the people of Canada are fortunate that we have such a competent body of men and women to hear them and to pass fair judgment on them.

I wish to congratulate the chairman and all the members of the committee.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION

Hon. Walter M. Aseltine presented the second report of the Committee of Selection.

The Clerk Assistant (reading):

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

Some Hon. Senators: Dispense.

For text of report see Appendix to today's Hansard, *pp. 28-29.*

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

Hon. Mr. Aseltine: Honourable senators, I move that the report be considered on Tuesday next.

Motion agreed to.

DIVORCE

REPORT OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck: Honourable senators, I wish to present the committee's first report, but before doing so, may I acknowledge with thanks the kind remarks made by the Leader of the Government (Hon. Mr. Brooks) and the Leader of the Opposition (Hon. Mr. Macdonald) with respect to the Divorce Committee. I thank them on behalf of myself and of the members of the committee. It is mighty nice to be appreciated.

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

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

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

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

Hon. Mr. Roebuck: Honourable senators, this is the routine first report of the committee; it does not differ from similar reports that have been presented at previous sessions. With leave, I move that the report be adopted now.

Report adopted.

NEW SENATORS

INQUIRY

Hon. Jean-François Pouliot: Honourable senators, yesterday our sitting was dedicated mostly to the memory of our departed colleagues and friends, and quite properly so; but from now on we must have thought for the living ones. In view of the appointment by the Prime Minister of the eight new senators, one more than the seven wise men of old Greece, I would like to ask each one of them the same question, expecting an honest and candid answer: Is not each one of the new senators the Prime Minister's Trojan horse?

HON. G. PETER CAMPBELL

BIRTHDAY FELICITATIONS

On the Orders of the Day:

Hon. Vincent Dupuis: Honourable senators, before the Orders of the Day are proceeded with, I wish to extend my respects and best wishes to one of our colleagues, Senator G. Peter Campbell, on his having reached another milestone. On this his birthday, I am glad to see him here in good health and I hope that he will be with us for many years to come.

Hon. G. Peter Campbell: Thank you, honourable senators. The only trouble is that these birthdays come around too often.

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 session.

Hon. J. Campbell Haig moved, seconded by Hon. Edgar Fournier (Madawaska-Restigouche):

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

To His Excellency Major-General Georges Philias Vanier, Companion of the Distiguished Service Order, upon whom has been conferred the Military Cross and the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

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

He said: Honourable senators, I consider it a great privilege and honour to have been requested to move the address in reply to the Speech from the Throne, as given by His Excellency the Governor General on Thursday, September 27 last. This is really a tribute to my native city of Winnipeg and the province of Manitoba and not to myself personally.

There are certain occasions in one's life which stand out as memorable, and as I stand before you today making my first speech in this august chamber I do so with a great deal of fear and trepidation. Some of the senators within sound of my voice must have experienced this feeling before and I trust all will give me their sympathy and understanding.

May I congratulate you, Mr. Speaker, on being appointed to guide the affairs and deliberations of this house, and I know you will grace the office with dignity.

To the honourable senator from Royal (Hon. Mr. Brooks), I offer my congratulations on being selected as the Leader of the Government in the Senate, and I know that under your capable hands the business of this house will be conducted with dispatch.

May I also congratulate Honourable Senator Aseltine who for many years has occupied the position of leader of this house. I wish him well, and know he will be relieved of many of the problems that affect the honourable Leader of the Government in the Senate.

May I also thank the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) who, together with the Government Leader (Hon. Mr. Brooks), kindly accompanied me when I was sworn in as a member of this house. I would also at this time like to thank him for the valuable help and advice he has given me for many years.

May I also congratulate the other honourable members who were sworn in at the same time as myself, being one more in number than the ancient mythology.

(Translation):

Mr. Speaker, please accept my sincere congratulations. I know that you will fill this high office with great dignity.

I thank the honourable senator from Royal (Hon. Mr. Brooks) for suggesting that I move the address in reply to the Speech from the Throne. To the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) I wish to express my appreciation for the assistance he has always given me. To all my other colleagues I humbly say—thank you.

(Text):

May I at this moment thank the many honourable senators for the kind references made to me about my father who was a member of this house for some twenty-six years. He enjoyed his work here and made many friends, and I deeply regret that because of advancing age he had to resign.

In discussing the Speech from the Throne, it is clearly indicated that the Government has decided and is going to implement many acts for the betterment and progress of our country. There are certain sections of the speech that I will not deal with as there will be legislation brought forward at the appropriate time.

One section of the speech states that the economic activity of our country has moved ahead sharply. I would refer for a moment to Manitoba, which now has the highest number of people employed in the history of the province, and the gross value of agriculture, natural resources, manufacturing and construction is at an all-time high which, in 1961, totalled $1,580 million.

There is another factor about the province of Manitoba, namely, that it is still a very prominent agricultural province but is now gaining stature as a manufacturing and industrial centre.

One of the factors which will assist the economic development of Manitoba is a program of regional development which allows assistance to be given certain localities to marshal their local resources. As you can well understand, this regional, manufacturing, development program will have the effect of stimulating further agricultural processing and other secondary industries. Community development corporations have been formed, or are in the process of being formed, in some twenty-eight communities, but this is only the start. This program provides more jobs for Manitobans, especially outside the large centres of population. This is a joint effort between the province and the local community.

Another factor in the economic growth of my province is the creation of the Manitoba Development Fund which allows financing for the expansion of certain industries and provides financial assistance to new and existing manufacturing industries, tourist and recreational facilities and certain local community projects. In the short time that it has been in existence, the total amount of extra capital investment has reached the sum of $1,580 million.

As a corollary to the fund the province has created a committee on Manitoba's economic future to help and assist various areas of economic activity within the province, for the purpose of increasing employment opportunities for the growing labour force. We hope that this research program may well be the forerunner of similar provincial programs and, as mentioned in the Speech from the Throne, certain fiscal measures are to be placed before Parliament to create better employment opportunities for the Canadian people. I would think that Manitoba is proceeding apace with this program.

There was also mentioned in the Speech from the Throne the fact that a national power grid will be established to utilize the hydro-electric potential of this country. Mention was made that discussions are in progress with the Government of Manitoba with respect to studies of the Nelson River system.

At the present moment the means of tapping a small portion of this potentially vast hydro-electric power in Manitoba has been established at the Kelsey hydro site which serves the International Nickel Company's operation at Thompson, Manitoba. The construction of the power plant at Grand Rapids on the Nelson River will create some 4 million kilowatts of electricity. The first two turbine generators will be in operation in 1964 and a third one in 1965. Provision is also to be made for further expansion, if required.

The Government of Manitoba feels that the Kelsey and Grand Rapids projects will enable the sale of power to consumers who are not now in a position to use it; but with the expansion of industry and manufacturing, which I have previously mentioned, we feel that the sale of electric power to these areas will greatly expand the potential of Manitoba and also assist in the further growth and development of the rest of Canada.

Thank you.

(Translation):

Hon. Edgar Fournier (Madawaska-Restigouche): Honourable senators, a few hours ago I was highly honoured when I was accepted in this august house. Although the emotion I felt upon my appointment to the Senate has not completely subsided, I will, however, endevour to carry out, in all humility, the pleasant task of supporting the motion for an address in reply to the Speech from the Throne.

I am reassured by the feeling of friendship and warmth prevailing in this house, and I am proud and honoured to tackle this task which I shall discharge to the best of my ability on behalf of my fellow citizens of Madawaska-Restigouche and New Brunswick.

With your permission, honourable senators, I would like to speak on behalf of my colleagues, the new senators. We are all pleased with your warm welcome, and it is a great honour for us to be associated with such a distinguished group of Canadians.

It also was a special honour for me to be greeted in the Senate by the senator for Royal (Hon. Mr. Brooks), a great Canadian, a veteran of two wars who earned a place amongst the greatest for his valour and his courage, and who, in peacetime, continues to work for his people.

On my left is the honourable senator from St. John-Albert (Hon. Mr. Emerson). He is everybody's friend, a great Canadian in industry and commerce, and one of the most prominent citizens of the metropolis of New Brunswick, the city of Saint John. In spite of his many commitments, he always finds time to devote himself to the service of his fellow citizens.

I would also, at this time, like to thank very sincerely, on behalf of the new senators and in my own name, our Prime Minister the Right Honourable John Diefenbaker, for our appointment to the Senate. We wish to assure him that we will conduct ourselves with all the dignity he expects of us. This honour which he bestowed upon each of us is reflecting credit upon all our friends and fellow citizens, regardless of their political creed.

I would like to congratulate you, Mr. Speaker, on your appointment to the presidency of this house; indeed, thanks to your long experience, and we are all in agreement on this I am sure, you will guide the future of this assembly with the highest distinction.

The honourable senator from River Heights (Hon. Mr. Haig), mover of the address in reply, has made such a good review of all the areas that there is nothing left for me to say. In his speech, everyone will agree, he has touched upon nearly every aspect of our economic life.

May I, honourable senators, say a few words about my own province, New Brunswick. It goes without saying that we have there not only the best senators but also the most handsome. Perhaps that is why New Brunswick is known as the picture province.

During the fall, when our great mountains, covered with maple and birch trees, feel the pinch of early frost, our forests display a range of colours of breath-taking beauty. With their gay and tempting colours, our maple trees are worthy rivals of Senator Taylor, Senator Emerson, Senator Burchill, and all my other colleagues.

Now in a more serious vein, I must point out that New Brunswick has been endowed with great cultural and natural wealth. Nowadays our population is almost equally divided between the French and the English and we, of both ethnic groups, live and work according to the same convictions, the same principles, and we admit that we are first and foremost Canadians. However, we are not immune to separatist movements which seem to spout once in a while in our province. We try to fight them before they spread so as to protect our freedoms and strengthen our ties within the Canadian Confederation.

Our vast forests which produce the raw material for the fabrication of paper constitute one of our natural resources. There are, in Canada, tremendous possibilities for the establishment of other forest industries. Indeed, according to recent studies, our present industries cannot even absorb the yearly growth of our forests.

The coal deposits of the Minto district play a great part in the production of electricity in Canada. There are promising lead, silver

and zinc deposits in the Bathurst area. The nickel found in Charlotte county, the huge oil and shale deposits in Albert county, the manganese deposits in Carleton and the Westmorland salt deposits guarantee our economic development.

Honourable senators, a country's natural resources are lost if it does not have a culture. In Canada, as elsewhere, much remains to be done in that field. The friendly relations that prevail here between the two ethnic groups, French and English, should be taken as an example and should inspire those areas where understanding between the two groups is sometimes not all that it should be.

Our universities, our schools and all our educational institutions are doing their best and we are proud of them.

The borders of our province extend for a distance of 900 miles, 700 of them along the Atlantic. That is the basis for a fishing industry whose operating costs are high. Those products from the sea, such as salmon from Chaleur Bay, lobster from Northumberland Strait, oysters from Buctouche and Caraquet, sardines from the Bay of Fundy, are processed in many cold-storage plants. That enables us to put on the world markets reputable products.

The Saint John river which flows through our province in a north-south direction over a distance of more than 250 miles could produce over 500,000 KW of electrical energy.

We have also the strongest tides in the world which, converted into energy, would produce more than 5,000,000 KW. Furthermore, I wish to mention the strong tides of Chignecto and of the surrounding bays, and the Passamaquoddy tides. These developments are essential to the economic improvement of our region. They would be most valuable to and one of the most important factors in the proposed establishment of a national power grid. I am proud to see that the speech from the throne mentions the development of sources of energy in Canada and that our country is to be in the foreground in regard to measures for the expansion of our national economy.

Agriculture in New Brunswick is very highly diversified; all types of mixed farming are practised. But in a few places can be found specialized activities such as the growing of potatoes, strawberries and apples, cattle raising, and dairy farming: all of these play an important part in our rural areas. With the mechanization of agriculture, our farmers are faced with serious problems, for most of the farms are not large enough to use fully and profitably the investments required by mechanization. As a result, the small farmers go bankrupt.

In the industrial and commercial fields, in spite of all the problems arising from the transport of our raw manufactured products to the more populated centres, New Brunswick is still holding an enviable position. We might not produce quantity, but we give a very special consideration to quality.

New Brunswick has also produced great Canadians. Let me single out a few: Sir Andrew Bonar Law, born in New Brunswick, who became one of the Prime Ministers of England; Sir James Dunn, magnate of the steel industry; Lord Beaverbrook, the great benefactor of New Brunswick. It gives me pleasure to add to this list K. C. Irving, an industrialist and a financial genius who is making an extraordinary contribution to our province. His numerous industries give day to day work to several thousand people. His oil and structural steel industries as well as his shipbuilding plants are but a few of his numerous and progressive enterprises. I should like to give a special mention to the distinguished citizens of my native village, who have greatly contributed to our local economy: the Frasers, the Mathesons, the Murchies, pioneers in the development of our area, who have established local industries such as the Fraser Pulp and Paper Co. with all its subsidiaries.

In the field of travel, nothing in Canada equals a tour through our province: it offers a great variety of attractions likely to please every member of the family; hundreds of picnic grounds along our highways are at the disposal of travellers. Excellent highways lead through vast forests. Rivers teeming with different kinds of fish are a real fisherman's paradise. Our many beaches washed by the cold salt water of the Atlantic provide our tourists with all the thrills they can hope for. Hospitality is the motto in New Brunswick where four languages are spoken: first, well-pronounced English, then good French, and also a mixture of English and French which has its merits and is very popular, and finally a very poor French. There is no language problem in our area, because one can always speak one of the four languages.

Honourable senators, you are now convinced, I am sure, that New Brunswick is unexcelled in beauty, from some of its representatives

in the Senate—not to mention its abundant resources and well-known products—to the McLean sardines. I shall now conclude those few remarks by dealing with the Speech from the Throne and the one just delivered by my newly-appointed colleague, the senator from River Heights (Hon. Hr. Haig). I take this opportunity to congratulate him on the fine words he spoke in French.

(Text):

Honourable senators, last Thursday we heard the Speech from the Throne delivered by His Excellency the Governor General. I am sure everyone in this house will agree that such a comprehensive address is welcomed by all Canadian citizens.

The speech included a heavy program and many measures to promote the Canadian economy. Today Canada must be stronger than ever, when new parties built on socialist principles are taking root in our Canadian soil.

Personally, I am a great believer in the two-party system built on free enterprise, freedom and liberty, and I believe that we in this house should be united solid to face and oppose strongly any movement contrary to democratic principles. Let us look back and let us find what we have not done, or what we did wrong. Let us find out why some Canadians are turning away from the road of democracy to affiliate themselves with socialists, fly-by-night saviours, or demagogues. I must say that I deplore the situation into which we are drifting.

One has only to focus an eye on what has happened in the many European countries, where demagogues have led the people, to understand what has happened. That should be a warning that the same thing could happen to others who are being misled by these formless principles.

Honourable senators, when I hear of a Canadian citizen, a French Canadian, one of my own creed, who has said that, if elected to the legislative assembly, he will refuse allegiance to Her Majesty Queen Elizabeth, I feel ashamed. Let us hope that this group be small indeed. I can assure you, honourable senators, that that group does not represent us, the French of New Brunswick and Quebec.

I am glad to read in the speech that an attempt will be made to bring about agreement on a Canadian flag. Here again, honourable senators, it is unbelievable that a nation like ours, Canadians who have stood together, walked side by side even to the last step forward on the battlefield, after 95 years of confederation, should in peacetime still be divided over the design of a Canadian flag. Perhaps it is true that I cannot have it all my way, and that others cannot have it all their way, but together we certainly can have it the right way. Honourable senators, I hope that we in this chamber can set an example and lead the way for an understanding that will give to the Canadian people the long-needed and long-desired flag.

Honourable senators, the Speech from the Throne covered another subject of great interest, namely, that of promoting and constructing a national electric power grid system across Canada. With the coal of Nova Scotia, the tidal power of New Brunswick, the hydro potential of Quebec, the nuclear power plant of Ontario, and oil and coal and gas of the prairies, the great resources of the Fraser and Columbia, nowhere in the whole world is there so much power potential. One could talk at length on this subject, but to end this matter at least for the moment let us not forget that "electric power" is the key for industrial growth in Canada.

I am pleased to say at this time that four years ago I, as chairman of the New Brunswick Electric Power Commission, along with my colleagues, the chairman of the Nova Scotia Electric Power Commission and of the Nova Scotia Light and Power Commission, had the honour of signing the first electric power grid agreement in Canada, namely, the agreement between the province of New Brunswick and the province of Nova Scotia. I am pleased to report that since this great system has been in operation it has saved these two provinces millions of dollars in the operation, especially in stand-by and reserve capacity. There are many obstacles facing us in this development, but with the co-operation of the provinces they will all be overcome for the benefit of everyone. At a later date I hope I shall have an opportunity of expressing myself more fully on this matter.

I was pleased to hear of the proposal for the creation of an Atlantic Development Board to promote the economic growth of our region, the enlargement of farm credit, and especially to provide training in agriculture.

Honourable senators, if we have many unemployed today one of the main reasons is that our young people have lost faith in farming and are moving to the cities. It would be correct to say that not only the sons but, in many instances, whole families, have left the farms to move to industrial centres. But before we condemn these mass movements from the farms to the cities, it would be well to explore the reasons. When we do that I am sure we will find that one important reason is the lack of proper agricultural training.

Honourable senators, the honourable mover of the motion (Hon. Mr. Haig) has covered the subject well, and deserves to be complimented for his speech. In closing I wish to repeat that the Speech from the Throne is a true Canadian document with one purpose only, that of giving our citizens a Canada worthy of Canadian citizens. Let this Canada, honourable senators, be your Canada and my Canada, and may God guide its destiny in unity and peace.

(Translation):

Honourable senators, I wish to thank you for the great honour which you have bestowed upon me today and for the attention which you have given me. It is, therefore, with pleasure that I ask leave to second the motion of the senator from River Heights (Hon. Mr. Haig), that we humbly thank His Excellency, the Governor General of Canada, for the gracious speech made in this house on Thursday, the 27th of September.

(Text):

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

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(See p. 21)

REPORT OF THE COMMITTEE OF SELECTION

The Committee of Selection, appointed to nominate senators to serve on the several standing committees for the present session, 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 Senators Aseltine, Cameron, Davies, Fergusson, Fournier (De Lanaudiere), Gladstone, Gouin, Haig, Irvine, Lambert, Macdonald (Cape Breton), MacDonald (Queens), O'Leary (Antigonish-Guysborough), Pouliot, Reid and Vien. (16)

JOINT COMMITTEE ON PRINTING

The Honourable Senators Beaubien (Bedford), Blais, Bouffard, Bradley, Choquette, Comeau, Davies, Grosart, Isnor, McGrand, Pearson, Reid, Savoie, Smith (Kamloops), Stambaugh, Thorvaldson, Turgeon, Welch and Wood. (19)

JOINT COMMITTEE ON THE RESTAURANT

The Honourable the Speaker, the Honourable Senators Beaubien (Provencher), Fergusson, Inman, Macdonald (Cape Breton), McLean and Reid. (7)

STANDING ORDERS

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

**Ex officio* member.

BANKING AND COMMERCE

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

**Ex officio* member.

TRANSPORT AND COMMUNICATIONS

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

**Ex officio* member.

MISCELLANEOUS PRIVATE BILLS

The Honourable Senators Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Boucher, Bouffard, *Brooks, Choquette, Connolly (Halifax North), Connolly (Ottawa West), Croll, Drouin, Dupuis, Farris, Grosart, Hayden, Higgins, Hnatyshyn, Hollett, Horner, Howard, Hugessen, Lambert, Macdonald (Cape Breton), *Macdonald (Brantford), Monette, Quart, Reid, Roebuck, Stambaugh, Sullivan, Taylor (Westmorland), Thorvaldson, Tremblay and Willis. (33)

**Ex officio* member.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

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

**Ex officio* member.

EXTERNAL RELATIONS

The Honourable Senators Aseltine, Beaubien (Provencher), Blois, Boucher, Bradley, *Brooks, Crerar, Croll, Drouin, Farris, Fergusson, Fournier (De Lanaudière), Gouin, Haig, Hayden, Hnatyshyn, Howard, Hugessen, Inman, Jodoin, Lambert, MacDonald (Queens), *Macdonald (Brantford), McLean, Monette,

O'Leary (Carleton), Pouliot, Robertson, Savoie, Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Venoit and Vien. (33)

**Ex officio* member.

FINANCE

The Honourable Senators Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Blois, Bouffard, *Brooks, Buchanan, Burchill, Campbell, Choquette, Connolly (Halifax North), Connolly (Ottawa West), Crerar, Croll, Dupuis, Emerson, Farris, Fraser, Gershaw, Grant, Haig, Hayden, Higgins, Hnatyshyn, Horner, Isnor, Lambert, Leonard, *Macdonald (Brantford), McCutcheon, McKeen, Molson, O'Leary (Antigonish-Guysborough), Paterson, Pearson, Power, Pratt, Quart, Reid, Robertson, Roebuck, Savoie, Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Vien and Woodrow. (49)

**Ex officio* member.

TOURIST TRAFFIC

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

**Ex officio* member.

DEBATES AND REPORTING

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

**Ex officio* member.

NATURAL RESOURCES

The Honourable Senators Aseltine, Basha, Beaubien (Provencher), Bouffard, *Brooks, Buchanan, Burchill, Cameron, Choquette, Comeau, Crerar, Dessureault, Drouin, Dupuis, Emerson, Fournier (Madawaska-Restigouche), Fraser, Gladstone, Grosart, Hayden, Higgins, Horner, Kinley, *Macdonald (Brantford), McKeen, McLean, Methot, O'Leary (Carleton), Paterson, Pearson, Power, Raymond, Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Vien and Wood. (37)

**Ex officio* member.

IMMIGRATION AND LABOUR

The Honourable Senators Beaubien (Provencher), Blais, Bouchard, Boucher, *Brooks, Buchanan, Burchill, Campbell, Crerar, Croll, Dupuis, Fergusson, Fournier (De Lanaudiere), Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Grosart, Hnatyshyn, Hodges, Horner, Hugessen, Lefrancois, Macdonald (Cape Breton), *Macdonald (Brantford), Monette, Pearson, Quart, Reid, Roebuck, Taylor (Norfolk), Turgeon, Vaillancourt, Veniot, Willis and Wood. (33)

**Ex officio* member.

CANADIAN TRADE RELATIONS

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

**Ex officio* member.

PUBLIC HEALTH AND WELFARE

The Honourable Senators Beaubien (Bedford), Blais, *Brooks, Burchill, Choquette, Comeau, Connolly (Halifax North), Drouin, Dupuis, Emerson, Farris, Fergusson, Gershaw, Gladstone, Gouin, Grant, Haig, Inman, Irvine, Jodoin, Kinley, MacDonald (Queens), *Macdonald (Brantford), McGrand, Monette, Pratt, Quart, Roebuck, Smith (Queens-Shelburne), Stambaugh, Sullivan, Thorvaldson, Veniot, Welch and Woodrow. (33)

**Ex officio* member.

CIVIL SERVICE ADMINISTRATION

The Honourable Senators Aseltine, Bishop, Blois, Bouchard, *Brooks, Cameron, Choquette, Connolly (Ottawa West), Davies, Dessureault, Dupuis, Fergusson, Gouin, Grosart, Higgins, Irvine, Kinley, Lambert, *Macdonald (Brantford), O'Leary (Carleton), Quart, Roebuck, Taylor (Norfolk) and Turgeon. (22)

**Ex officio* member.

PUBLIC BUILDINGS AND GROUNDS

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

**Ex officio* member.

All which is respectfully submitted.

W. M. Aseltine,
Chairman

THE SENATE

Thursday, October 4, 1962

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

Prayers.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Report relating to the administration of the Farmers' Creditors Arrangement Act for the fiscal year ended March 31, 1962, pursuant to section 41(2) of the said act, chapter 111, R.S.C., 1952. (English and French texts).

Report of the Superintendent of Insurance for Canada, Volume I—Abstract of Statements of Insurance Companies in Canada for the calendar year ended December 31, 1961, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English and French texts).

Report of the Superintendent of Insurance for Canada, Volume III, Annual Statements—Life Insurance Companies and Fraternal Benefit Societies for the calendar year ended December 31, 1960, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C., 1952. (English and French texts).

Financial Statement on the Operations of the Veterans Insurance Act for the fiscal year ended March 31, 1962, pursuant to section 20 of the said act, chapter 279, R.S.C., 1952. (English text).

Financial Statement on the Operations of The Returned Soldiers' Insurance Act for the fiscal year ended March 31, 1962, pursuant to section 17 of the said act, chapter 54, Statutes of Canada, 1920, as amended by the statutes of 1951. (English text).

Statement of Expenditure and Financial Commitments made under the Veterans' Land Act for the fiscal year ended March 31, 1962, pursuant to section 42 of the said act, chapter 280, R.S.C., 1952. (English text).

Report of the Army Benevolent Fund Board, for the fiscal year ended March 31, 1962, pursuant to section 13 of the Army Benevolent Fund Act, chapter 10, R.S.C., 1952, including its Accounts and Financial Statements certified by the Auditor General. (English text).

Report of the Canadian Maritime Commission for the fiscal year ended March 31, 1962, pursuant to section 13 of the Canadian Maritime Commission Act, chapter 38, R.S.C., 1952. (English and French texts).

FINANCE CHARGES (DISCLOSURE) BILL

FIRST READING

Hon. David A. Croll presented Bill S-3, to make provision for the disclosure of information in respect of finance charges.

Bill read first time.

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

Hon. Mr. Croll moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, October 9, 1962, at 8 o'clock in the evening.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. W. Ross Macdonald: Honourable senators, in the debate on the motion for an address in reply to the Speech from the Throne it is a time-honoured custom in this chamber to make complimentary references to those who have assumed positions of importance, and to those who have relinquished such positions, and then to welcome new senators.

In some chambers these references are of a perfunctory nature; but here, as the late Senator Dandurand once said:

> We stand above the sharp divisions of party that exist in the other chamber.

It is with genuine sincerity that I welcome and congratulate you, Mr. Speaker, on your appointment to your very important office. Many of us have known you for years, and all of us know of your experience in the House of Commons and the active part which you took in the debates of that house. We are sure that you are familiar with the rules of

that house and that it will not be long before you become just as familiar with the rules of our house.

We were pleased with the way that you conducted the opening ceremonies of this the Twenty-Fifth Parliament of Canada, all of which augurs well for your happiness and success in the Chair.

May I say also that we are pleased that Mrs. White is with you, and we will look forward to happy associations with you, Mr. Speaker, and with Mrs. White during the life of this Parliament.

I take this opportunity to welcome the retiring Speaker (Hon. Mr. Drouin) who is now of the Privy Council, to the body of the Senate. He will find his seat here less comfortable than the one which he occupied in his more exalted position; but there will be some compensation, for instead of having to listen to speeches and make occasional interruptions, he will have the opportunity of making speeches himself and of listening to occasional interruptions, probably from this side of the house.

The Honourable Senator Drouin presided over the proceedings of this assembly in a dignified, impartial and pleasant manner, and at special Senate functions with a dignity and charm which brought credit to the Upper House. We wish him a long and happy life whether sitting to the right or to the left of the Honourable the Speaker.

Honourable senators, for the last four years we have had as Leader of the Government in this house a man learned in the law and also learned in our procedure, a knowledge gained from his long parliamentary experience, a man who never spoke on a subject unless he was prepared; courteous at all times, but whose ire would instantly be aroused if a statement was unfair, untrue, grossly exaggerated, or inaccurate.

For me it was a great privilege to have been his opposite number and I shall always cherish the memory of my happy association with him.

I refer, of course, to the Honourable Senator Aseltine, who had not only the respect but also the affection of all our members, and none of us was happy to learn of his decision to retire from his high office.

To him and to his helpmate, Mrs. Aseltine, who has endeared herself to us, we wish continued good health in our midst, where we are sure they will continue to play an active role for years to come.

Honourable senators, having lost one very good government leader, we are fortunate in having obtained for ourselves another. The new Leader of the Government in the Senate (Hon. Mr. Brooks) has been a good friend to most of us and a very close friend to many of us. I sat in the House of Commons with him from 1935 until 1953. During that time our association developed into a close friendship; but in spite of that long friendship, so far as our political inclinations were concerned we remained as far apart as the poles.

The honourable leader can count on my co-operation in the carrying out of his heavy duties, which I am sure will be performed effectively and according to the well-established rules and principles adopted in both national and international spheres. He is well equipped for the heavy responsibilities he has assumed. We congratulate him and wish him well.

Honourable senators, I will not take the time of the house by referring personally to all newly-appointed senators; however, I should say a word of greeting to one who is with us for the first time and has been sworn in as a privy councillor. I refer to the honourable senator from Gormley (Hon. Mr. McCutcheon). During the last Parliament we were not fortunate enough to have a member of the Government in our midst, and when we wanted any information about the Government we went to the leader and he always obtained it for us. I do not know how he got his information, he never told us. From now on when we require such information we may request the Government Leader to obtain it, or if we want to bypass him we can go direct to the member of the Cabinet who is with us. When we have inquiries our only problem will be: shall we direct them to the Leader of the Government in this house or to the member of the Government in this house. The latter is a Minister without Portfolio, and from what I read in the press I gather that he is a very busy minister. Personally, I am satisfied that he is a minister of something, but I just cannot put my finger on what it is. The nearest I can come to describing his position is to say that he is a minister of intangible affairs.

Honourable senators, I also welcome the other new senators. I shall refer in a moment to the mover of the address (Hon. Mr. Haig) and the seconder (Hon. Mr. Fournier). Perhaps I may be excused for extending a special greeting to Senator Grattan O'Leary, because when I first came to Parliament I found that my name appeared often in the Ottawa *Journal*, and I felt that this was of his doing. I have been grateful to him ever since, although I must say that during that period I would one day be delighted with what I read and another day I would not. However, I know we are all pleased to have him in our midst, and I am sure that his stay here will be pleasant to himself and profitable to the nation.

As I said before I shall not refer personally to the other newly-summoned senators.

They have all had public service—some directly in their provincial legislature, or in the Parliament of Canada, or in connection with political affairs. They have all taken an interest in the public welfare and I am sure that their appointment to the Senate is in keeping with the high standards of previous appointments to this chamber.

I would now like to refer to the Honourable Senator Haig who moved the address in reply to the Speech from the Throne. He did it in a most excellent manner. He spoke as his father spoke here, as I recall, about his beloved province of Manitoba. We know how dearly he loved his province, and apparently his son has the same affection for and takes the same interest in it. We hope it will prosper in the manner he envisaged in his remarks during the Throne Speech debate yesterday. His father is missed in the Senate, having resigned because of ill health. Another one of our members has also resigned. I refer to Senator Thomas Farquhar.

Senator John T. Haig had first served his municipality; he then went into the Legislature of Manitoba, and subsequently came to the Parliament of Canada.

Senator Farquhar had a similar career. He had served his municipality; he had been mayor of Sault Ste. Marie; he had been in the Legislature of Ontario; and he had served in the Parliament of Canada as a commoner before he came to the Senate.

Both these gentlemen served their country well. We are sorry that ill health prevents their being with us, and we would like all members of their families to know how much we appreciate them. We only trust they will continue to live in comfort, without pain, despite their poor health, in the years to come, and over those years we shall be thinking of them.

I am very glad to see my good friend from Ottawa East (Hon. Mr. Choquette) in his place.

(Translation):

I congratulate him. His wisdom and his friendly smile will stand him in good stead no doubt. I hope he will be deputy leader for some years without sitting too long on the Speaker's right.

(Text):

While we are in this happy mood I would like to refer to an honour which has come to one of our senators during the recess. I refer to Honourable Senator Cameron, to whom the University of Alberta awarded its Golden Jubilee Award for his contribution to the life of the province. It was a well-deserved reward.

I also wish to congratulate the honourable senator from Madawaska-Restigouche (Hon. Mr. Fournier) who seconded the motion for the address in reply to the Speech from the Throne. He told us about his beautiful province of New Brunswick and inspired in us a desire to visit it, just as did Senator Haig with regard to Manitoba.

Hon. Mr. Farris: You will not be disappointed.

Hon. Mr. Macdonald (Brantford): Senator Farris says that I will not be disappointed. I know that he is referring to New Brunswick, because that is where he was born. However, I can add that we shall not be disappointed when we visit Manitoba, as Senator Beaubien (Provencher) says.

I also wish to congratulate Senator Fournier for his fluency in both our languages. He is completely bilingual, and has set a splendid example for some of us who are struggling to learn his delightful tongue.

Honourable senators, so far in this debate there has been very little said about the election which took place during the interval in which we have been absent from Ottawa, and I know that you would all be disappointed if I did not have something to say about it.

What are the facts about the result of that election? The most notable is that the Liberals, under the leadership of the Honourable Lester B. Pearson, achieved the greatest political comeback in the history of Canada—I do not have to add anything to that statement—whereas, the Progressive Conservatives suffered the most overwhelming defeat ever delivered to any political party in the history of Canada.

Honourable senators, never had a Prime Minister such a large following in the House of Commons as Mr. Diefenbaker had in 1958. But how the mighty did fall! On June 18, instead of holding 208 seats the Progressive Conservative candidates were successful in only 116 constituencies, which is considerably less than the number required for an overall majority. Despite this the Prime Minister presumed to represent Canada at the Commonwealth Conference, without first obtaining authority from Parliament to do so. Not that I object to his going to London—I want to make that clear—but, being the head of a minority government, the least he could have done was call Parliament and receive a vote of confidence.

You will recall that on June 18 the Prime Minister and his government were completely discredited at the polls. The people had spoken: the electors, in overwhelming numbers, had said that they did not like the way the Government was conducting the affairs of the country. Under these circumstances, had he any respect for the democratic processes of our Constitution, of which we and he proudly boast, only one course was open

to him, that of consulting the people's representatives in Parliament before presuming to represent Canada at this most important conference.

Honourable senators, his actions in this matter are now history; it is a *fait accompli*. You might ask: why bother talking about it? But, honourable senators, the Prime Minister has established a precedent. In my humble opinion—and I am satisfied it is the opinion of all eminent constitutional authorities—it is a very bad precedent, and I hope that no future Prime Minister will follow it.

Now perhaps I should say a few words about this conference. Did Canada's representatives act at the conference in a manner which met with the approval of Canadians from coast to coast? In my opinion the answer is no; far from it. Most Canadians with whom I spoke not only disagreed with what was being done, but were completely disgusted with the stand which Canada took; and I hazard the guess that had a poll been taken at that time the Government would have found few Canadians in accord with what was being done.

The press was not happy about it. You might say: that is the Liberal press and I am not going to read any extracts from the Liberal press. However, I think it is fair for me to read a comment from the Toronto *Globe and Mail* of January 10 last, as I do not think anybody would say that paper leans too strongly towards the Liberals.

Hon. Mr. McCutcheon: Or towards the Conservatives.

Hon. Mr. Macdonald (Brantford): Perhaps not. Might I accept the suggestion of the honourable minister, and say that it is a non-partisan paper? This is what that non-partisan paper had to say:

> The long period during which Canada behaved like a tearful infant, certain that Mother's entry into a new sphere would hurt the baby, merely prevented this country from exerting its proper influence on the negotiations and from developing the necessary attitudes to profit from new developments.
>
> Officially, Ottawa has now decided to grow up and face with maturity whatever the Common Market should produce. It should tell Canada House to put away its hanky and do the same.

I should also like to read an extract from the Winnipeg *Free Press* of May 15 last. That paper, I will admit, is one that does not lean too strongly towards the Conservative party. In it I find these words:

> For the privilege of installing itself as the dog in the international manger Canada already has paid a high price, much of it yet incalculable. The final cost of its outright quarrel with Britain, on the issue of the Common Market, and its fractured friendship with the United States cannot be reckoned only in economic terms. Under the best of conditions, and under a new government, it will take a long time to repair the recent damage to Canada's stature, influence and self-respect.
>
> The Canadian people may well ask how the Diefenbaker government managed to plunge them into this state of isolation from their closest and most important friends abroad.

Honourable senators, the last reference I shall make is to a few words from the Calgary *Herald* of April 24. Referring to the Government it says:

> Its incredibly inept approach to the European Common Market changed Canada's stature abroad.

Now, honourable senators, I shall not quote further, but from what I have read—and I think they were representative statements of the press throughout the country—it is clear the Prime Minister did not present to the conference the views of the great majority of Canadian people. The citizens of Canada by and large do not want to put roadblocks in the path of Britain's entry into the Common Market. Of course we want to retain our preferences, but if we analyse the remarks of Prime Minister Macmillan, it is clear that the United Kingdom cannot much longer maintain her present state of economy unless she does join the European Common Market. It is obvious that unless Britain is strong our trade preferences will be of little value. Of course when she joins the Common Market there will have to be adjustments in our trading pattern, but it is clear that in the long run—and it will not be so long at that—Canada's trade with a strong and ever-strengthening United Kingdom will be much more valuable than with a United Kingdom isolated from the Inner Six and putting up an unequal struggle to maintain her present position.

Honourable senators, there is another reason why Britain—and I shall put it in the affirmative—should be encouraged to join the Common Market. The reason to which I am going to refer far transcends that of trade. It has to do with the peace of the world, and nothing is more important. Most of us have witnessed the agonies, the destruction, the suffering and desolation of two world wars. Prior to 1914 Britain was going her own way, as were the nations of Europe, without regard to and without consultation with the other European countries.

There was no common meeting place at which these nations could iron out their problems and settle them by free discussions. What happened? Suddenly one nation attacked another and within a few days the most devastating war in world history to that time had commenced. Again, in 1939, history was repeated: the world once again was plunged into an equally or even more devastating war than that of 1914-1918.

Honourable senators, far be it from me to say that neither of these wars would have taken place if there had been an organization such as the European Common Market, but I will say that it is far less likely there will be a war in the future if the European nations meet in session regularly, say every month or so, and discuss their mutual problems. No one nation or group of nations can absolutely guarantee the peace of the world, but the prospects for peace will be much greater, in my opinion, with the European community of nations than without it.

Now, honourable senators, I want to give one more reason why I favour Britain's joining of the Common Market. There is one very powerful nation which strongly opposes it: that is the Soviet Union. Mr. Khrushchev has made it clear over the past few years that, as one of the aims of his country, he is intent on economic penetration in terms of cutting out traditional markets of the free world. Honourable senators will recall his memorable phrase some years ago when he said that he intended to bury us; he meant to "bury us" commercially. It is elementary that the formation and support of the Common Market would certainly not assist him in that process. Consequently, I would say that if Mr. Khrushchev is against the Common Market there is every reason why we should be for it, and why Canada should do all in her power to help Britain enter it and make it a stronger force than ever.

Let me now say a few words about our own country, Canada. It seems to me that during the last few months the Government has been talking too much about other countries and not giving enough attention to what Canada must do to help herself. In spite of our $11 billion value in trade and the huge sums that Canada in the last few years has been piling up, there has been, and I am afraid there continues to be, a decline on the part of Canada. In other words, we are on the downgrade in regard to our economy, especially in the commercial world. For some reason other countries have lost confidence in Canada or, should I say, have lost confidence in those who are administering Canada's affairs. It may be because over the last five years we have been piling up deficit after deficit, amounting to something like $3 billion, and the $2 billion by which the former Government had reduced the national debt has been wiped out. It may be that this confidence was lost because at certain periods during the last two or three years as much as nine per cent of our employable population was out of work.

Then, again, it may not be on account of these deficits and unemployment, but rather because of the failure of the Government to take adequate steps to meet these problems. In spite of the protests which were made about these growing deficits—and who does not remember the repeated warnings in this house of the honourable Senator from Churchill (Hon. Mr. Crerar)—this Government has allowed deficit after deficit to be piled up.

Furthermore, in spite of warnings given in the Senate and in the other house about the unemployment situation into which Canada was drifting for years, what was done about it? It was laughed off and we were merely described as doomsters and gloomsters. That was the situation for three years: the unemployment figures rose and nothing was done.

Honourable senators, whatever the cause, we are today faced with the unfortunate situation that we have lost a great deal of the confidence of those, both at home and abroad, who in the past have done so much to assist us in extending and developing our economy.

Honourable senators, I do not think it is any use trying to delude ourselves into believing that this confidence has not been lost. Let me give you a few examples which prove that there is some loss, at least, of confidence by large trust investment companies who are not only diverting their trust funds to other countries but are actually selling the stocks which they have in Canadian companies. One of the largest trust investment companies which invests a great deal of money in Canada is the Scudder Fund of Canada, Ltd., a huge United States-owned company.

In the first quarter of this year that company sold all of the shares it had in nine Canadian companies; it bought no Canadian shares whatever, but rather sought investment outside the country. I ask you, honourable senators, if this company had any confidence in Canada and its administration do you think it would have taken that attitude?

Honourable senators, I hold in my hand the report of the Loomis-Sayles Canadian and International Fund Ltd. This is one large trust investment company which, under its bylaws, was required to invest 60 per cent of its funds in Canadian securities, but in June of this year the bylaws were amended to require it to invest not more than 35 per cent

of its funds in Canadian securities and the difference was invested abroad. Does this show any confidence in Canada?

Also, honourable senators, on the financial page of the Brantford *Expositor* I read that the Supervisor of Pension Funds of a large Canadian trust company said, in part:

> The fall in the stock market has been accompanied by a decline in bond prices. These developments portray the general feeling of concern...

Not only have the financial interests lost confidence in Canada, honourable senators, but so have many of our own people. According to Mr. Pollock, the president of the Canadian Manufacturers' Association, as reported in the *Globe and Mail*, last year more people left Canada than actually came into Canada. The report reads:

> Recent figures showed that 70,000 persons had come to Canada in the year to June 1, 1962, but 73,000 had left the country.

In commenting on that statement Mr. Pollock said:

> These figures satisfy me that we are neither making Canada an attractive place in which to live and work, nor are we building the large domestic market we need to consume the goods our manufacturers produce.

Honourable senators, it is not only the national and international investor and the potential immigrant who have shown a lack of confidence in this country, but it is also the newspapers. I have extracts here from such papers as the Calgary *Herald* which certainly show a lack of confidence in the country. In an editorial in that paper referring to the Government, I read the following words:

> It has run the country into alarming debt, and has placed a mortgage on the future of every taxpayer.

The editorial concludes with these words:

> On the domestic scene, the Government made a grotesque shambles of the Coyne affair, with international repercussions.

It is not necessary for me to read any extracts to you, honourable senators, showing that organized labour has lost confidence in our Government.

I think from what I have read it is clear that the Canadian Manufacturers' Association has lost confidence in our Government. The president of that association only a few days ago said:

> Canadian borrowing from the International Monetary Fund, the United States and the United Kingdom, will not save Canada from the brink of bankruptcy.

Those are very strong words.

Agriculture has no confidence in this administration, as is revealed by the influential *Family Herald*, an independent national farm magazine. That newspaper said that the record of the present Government

> ...has been a period of confusion and contradiction, of expediency and muddle, of undignified wrangles at home and abroad.

Hon. Mr. Brooks: What is the date of the issue in which that appeared?

Hon. Mr. Macdonald (Brantford): June 14. It is very recent.

As a matter of fact, honourable senators, there seems to be only one person who has any confidence in the administration—or, at least, did have any confidence in the administration—and that is the Prime Minister himself. This is what he had to say on May 14:

> You will allow me, I am sure, on this occasion to take some measure of credit to the Government I have the honour to lead for some of the things that have brought about this new climate of confidence among Canadians.

Then, on June 4 he said:

> And it's a decision that is, as I see it, as one between the positive optimistic and confident approach to the future...

On June 11 he said, Fellow citizens—

> I asked for your support. I asked for your confidence. I have told you the truth and the facts. Let's go forward together.

And finally, in his concluding television broadcast on June 14, he said:

> The truth has been on our side. We have given you the facts. We have bared the record. We have concealed nothing and shaded nothing.

That was an expression of confidence, expressed a few days before the election, but within ten days the Prime Minister himself had lost confidence in his policies. A few weeks before the Prime Minister had said, with all the confidence he could muster, that all was well, and that he unreservedly placed his full confidence in his administration and in his economic and financial measures, but when the election was over he had to admit that that confidence had been misplaced.

I am not going to discuss the causes that brought about, nor the purposes of, the so-called austerity measures embarked upon by

the Government and announced, not to Parliament but, in a television broadcast. The Government may have "concealed nothing and shaded nothing," as the Prime Minister said on June 14, but if that is so then the next ten days brought about quite a revelation. It is difficult to believe that the situation could have deteriorated so rapidly.

I do not accuse anyone of saying anything that was not true. Probably the Prime Minister had been misinformed, or had failed to heed the advice of his officials, as he had frequently failed to heed advice on the economic situation of the country given to him in both houses of Parliament, and also by prominent economists throughout the country. A few minutes ago I said that the only person who really had any confidence in the Government was the Prime Minister himself, but the sole interpretation that one can put upon his television announcement six days after the election is that he too had lost confidence in his administration.

Honourable senators, whether or not you agree with me on what I have said with respect to confidence—and I am sure many honourable senators sitting opposite me do not agree entirely with what I have said—I think it must be admitted that there are some grounds for the statements I have made. I think it is possible that my honourable colleagues opposite have at times questioned themselves, and have wondered whether they had lost confidence in their administration.

Some Hon. Senators: Never.

Hon. Mr. Hollett: I would like to ask the honourable leader, would he as an individual lend money to a person in whom he had lost confidence? I refer to the loans made by the International Monetary Fund and by the United States Government, totalling $1,300 million dollars. Does that show loss of confidence?

Hon. Mr. Macdonald (Brantford): That is a question. I am not at this time saying that I criticize the Canadian Government for having gone to the International Monetary Fund to beg a loan from that fund. That fund was set up to assist nations which were in financial distress, and the very fact that the Government went to this fund is the best proof that Canada was in financial distress.

Hon. Mr. Hollett: What would you say?

Hon. Mr. Macdonald (Brantford): I would say to my friend that I hope she is getting it. I am glad he asked me the question.

Honourable senators, whether or not you agree with me that there was lack of confidence, I think you must agree that very many people still question it and are hoping that something might be done to restore that confidence. We hoped that we would find something in the Speech from the Throne to that end, but we have looked in vain.

There is one clause in the Speech from the Throne which probably aims at assuring us that confidence will be restored. I will read the clause:

> The purposes of the fiscal measures to be placed before you at this session will be the creation of better employment opportunities for the Canadian people . . . the strengthening of Canada's balance of international payments and the maintenance of stability in prices. New budget measures will be introduced to provide further solutions to long-term problems.

Honourable senators, those are fine words—indeed, a worthy endeavour—but what evidence is there of any action on the part of the Government to give effect to those fine words?

We look in vain for any encouragement in the Speech from the Throne. Is the Government at long last recognizing the existence of these vexing problems of unemployment and economic instability? I hope so. I repeat, there is little encouragement one can get from the Speech from the Throne. One exception to that may be found in the reference to a national economic development board. There is some encouragement there. The reference to such a board is very hopeful, and I trust it will be established. If so, I wonder if that board will be under the direction of the honourable minister from this house. The Government could not do better than put the board under his direction. Probably he will tell us something about that when he addresses the house, either on the Throne Speech or at some appropriate time.

Of course, the board should have been set up some time ago. It has been advocated by us for the last three years, but for some reason or another you just have to keep on prodding this Government before you can get any action.

When it is set up the board will have heavy responsibilities. One of its functions will be to create an economic climate and an atmosphere of confidence which will make it possible to continue the jobs of those who are now employed, to create jobs for those who are now unemployed and for those who are yearly coming on the labour market in ever-increasing numbers. I say "in ever-increasing numbers" because within six or seven years there will be twice as many young people coming on the labour market as there are coming on it today.

To bring about such conditions as will make it possible to assist these young Canadians is indeed a very heavy task. I am sure that

all honourable senators realize the problem with which this new board will be faced. Whatever government is in office, and I hope it will not be a minority government, I am confident that all honourable senators, on both sides of this house, will support any legislation which is likely to bring about those very desirable and necessary objectives for which the board is being constituted.

Honourable senators, I must admit that up to the present time the greater part of my speech has been of a critical nature. I feel that honourable senators would have been disappointed had that not been so.

Hon. Mr. Brooks: It was not serious.

Hon. Mr. Macdonald (Brantford): Indeed, criticism is the main function of the Opposition. That is why we are so named. If we did not oppose, we would have to change our name. However, we have another function, that is, while opposing, to make alternative proposals wherever possible and to advance any suggestions which we think will be in the interests of the people. In other words, we should be helpful to the Government in a positive way. I feel that we are helpful to the Government from time to time in a negative way also, but we certainly have that other responsibility to be helpful in a positive way. I hope that what I am about to say now will be taken in that vein and accepted in the spirit in which I express it.

Over the years, since 1867, one central theme has dominated the discussions in the Senate and in the House of Commons, that is to say, export trade. It is an interesting fact that one job in every five in Canada is dependent upon export trade.

All governments, with the possible exception of the governments in office during time of war, have had to concern themselves with exports. The question of tariffs is one which over the years has divided opinion across this country. There have been heated debates on the tariff issue.

My party has steadfastly taken the general position that an orderly removal of trade barriers is in the interests of this country. We are confronted today with the Common Market, to which so much reference has been made in recent months. The position of Canada as a world trader is affected by the emergence of the new patterns of trade which the Common Market must inevitably bring about. Our employment rate is tied directly to the necessity for keeping the export of our products at a high level.

It was no less a person than the president of the Canadian Pacific Railway, Mr. N. R. Crump, who said in Windsor early this year that trade expansion and not protectionism is the key to full employment and a higher standard of living in Canada. I do not know what Mr. Crump's politics are; I do not think he has ever been considered a Liberal, but that is what he said this year.

Mr. Crump's speech leads me to make some suggestions which I hope will be helpful. He made the basic point that the Canadian market is simply not big enough to absorb the tremendous productive capacity of our extractive industries, and said that a retreat into economic isolation would inevitably mean a lower living standard. Will honourable senators permit me to set out for their consideration some goals which I think are all important in the field of trade? Perhaps not all of these goals can be accomplished, and some will take longer to achieve than we would like. Nevertheless, I offer them in the hope that we can, with all possible speed, put trade in a better position in our country and thereby give higher employment and a better standard of living. My six suggestions are: First, let us bend every effort toward the expansion of our exports, not only in our primary industries, but also in the field of our secondary industries, which are far too low down on the list of our domestic exports. If my memory serves me correctly, manufactured articles of any kind come thirteenth amongst our exports. This is too far down the list. We have to find markets for more of our manufactured exports.

Hon. Mr. Brooks: Is not pulp and paper the first on the list?

Hon. Mr. Macdonald (Brantford): Part of it is.

Hon. Mr. Brooks: There are thousands employed in the pulp and paper industry.

Hon. Mr. Macdonald (Brantford): Pulp and paper does stand higher than thirteenth on the list, but it is interesting to note that heavy industry, as perhaps it should be called, is thirteenth on the list.

Hon. Mr. Brooks: You said manufactured goods. Paper is a manufactured article.

Hon. Mr. Macdonald (Brantford): Well, with the exception of paper.

Hon. Mr. Brooks: Oh, there are others, if you go down the list.

Hon. Mr. Macdonald (Brantford): There may be some lumber, but I doubt it. Pulp is partly manufactured; but certainly what are regarded generally as manufactured goods, such as agricultural instruments, stand as the thirteenth item on the list. These are too low on the list because the building and developing of the large cities in Canada is

being done mostly by manufacturing companies. It is clear that we cannot just manufacture goods for our own people, we must send them abroad. I repeat that thirteenth on the list is far too low for this item.

Secondly: Let us recognize the existence of a European Common Market. It is a fact of life. Let us devote relentless energy towards the expansion of a Common Market in an enlarged European Economic Community.

Thirdly: Let us recognize the significant step forward which was recently taken by the United States, a most exciting move, and let us associate ourselves with that move in an effort to strengthen it by joining with President Kennedy in a joint declaration that we and the United States are anxious to take united action with the European Common Market in order not to restrict but to expand trade.

Fourthly: Let us—and this follows from what I have just said—give serious and urgent consideration to the institution of an Atlantic Community. May I interject here to say that that was originally proposed by my leader, Hon. Mr. Pearson. This would bring together Britain, the existing Common Market, other European countries on this side of the Iron Curtain, the United States, Canada and any affected nations who may care to join us as an expanding community.

Hon. Mr. Brooks: Isn't that what the Prime Minister advocates?

Hon. Mr. Macdonald (Brantford): As I understand it, he advocates a universal meeting of all nations. I am not saying anything against that, but at the moment I am speaking of an Atlantic community.

Fifthly: Let us acknowledge the fact that our most accessible market lies in the land of our nearest neighbour, the United States, and let us take every possible step towards improving our opportunities for expanding trade with that market.

Sixthly: Let us recognize, in this day of agricultural surpluses and food deficiencies, that one of the main bulwarks of our battle against communist aggression lies in accelerating the standard of living in depressed parts of the world. I think all honourable senators will agree with that. Let us recognize our responsibility as a Christian nation to give as much aid as we can in the form of food, recognizing the desirability of a world food bank and satisfactory long-term commodity agreements.

Honourable senators, those are the six proposals I make and to which I trust the Government will give some attention.

Hon. Mr. Brooks: That is not original, I might say, as far as the honourable leader is concerned.

Hon. Mr. Macdonald (Brantford): I do not say that anything I have said today is original, but these are proposals I am advancing to the Government. The proposals which are not original should have received the attention of the Government long before this.

Hon. Mr. Brooks: Many of them have.

Hon. Mr. Macdonald (Brantford): I am sorry, but they have not received attention; the Government should have given them attention long before this. I leave it to the Leader of the Government (Hon. Mr. Brooks) to advance these proposals this time. He says they have been brought to the attention of the Government. Well, we are fortunate this time to have in this house one who has been a member of the Cabinet and I am sure he will not hesitate at the earliest opportunity to bring to the attention of the Government any of my suggestions with which he agrees.

Hon. Mr. Brooks: I was just about to say to the honourable Leader of the Opposition (Hon. Mr. Macdonald) that Canada is recognized out of 104 nations as one of the first five nations which has given help to underdeveloped nations in the world, and that Canada is one of the nations which has developed the idea of giving food and assistance to underdeveloped nations probably more than any other nation, except perhaps the United States.

Hon. Mr. Macdonald (Brantford): I am pleased to hear what the leader has said, and more power to him. What is being done I know is being done to a large extent at his instigation. I said I thought everyone would agree with my last suggestion, and he has proved that forecast was correct.

If honourable senators will bear with me for about five minutes, I wish to make another statement. Members who have been in this house in the past will recall that it has been my custom in the address in reply to the Speech from the Throne, at each Parliament, to make some general observations as to the attitude I propose to take as Leader of the Opposition in the Senate in respect to the various measures to be introduced from time to time by the Government. The circumstances today are quite different from those prevailing in either 1957 or 1958, and while the principles I enumerated on those occasions are, to my mind, of continuing validity, I believe that I should now discuss in general terms their application to the existing situation.

The main principles to which I have alluded in the past are four in number. In the

first place we all recognize the overriding responsibility of the Senate to make the Constitution of Canada work. We realize that the Canadian Constitution, like all constitutions based on the British tradition of parliamentary government, is a finely-tuned and delicately-balanced instrument. Accordingly, we do not propose to assert our legal rights and prerogatives to the prejudice of common sense or reason, or to the sacrifice of the proper functioning of our constitutional machinery. We will not be hidebound by tradition, but neither will we forget or disregard the importance of tradition in the continuation of our constitutional process. As Sir Robert Borden has well said, no system of government cast on the British mould could long survive if the executive and each house of Parliament were to exercise their powers constantly and to the legal limit. The Senate was expected by the Fathers of Confederation to act responsibly at all times, and I am confident that it will continue to do so in the new Parliament.

We should not—and I am expressing my own opinion—automatically resist every government measure which comes before us. To do so purely out of party considerations would be to hamper any effective government of our nation.

Secondly, I have asserted in the past, and I do so again, the right of the Senate to amend money bills whenever the amendment will not increase an appropriation or any charge upon the people. While maintaining the prerogatives of the Senate in this regard I have often expressed the opinion, which I still hold—and the honourable Leader of the Government in the Senate last year brought this forcibly to my attention—that the Senate should not lightly or without the most mature reflection seek to alter the terms of a money bill in such a way as to affect substantially the balance of ways and means.

Thirdly—and now I come to the more difficult question of mandate. I said these words in 1957, I repeated them in 1958, and today I again repeat them:

> I think that we would all do well to remember that the Senate has not, traditionally, resisted the adoption of any piece of government legislation for which a government has received a clear popular mandate, whether as the result of a general election or otherwise. Nor would it, in my view, be inclined to do so in future in the absence of the most compelling reasons for believing that the issue should be referred once again to the electorate.

Then I quoted a classic extract from the speech delivered by the Right Honourable Arthur Meighen when he was Leader of the Opposition in this chamber. My views are substantially the same as his. I will not take time to read what he said at that time. If any honourable senators are interested in what he said I would refer them to the *Debates of the Senate* for the 1957-58 session, page 37 where I quoted his words.

My words and his speak for themselves, and I stand by them; but now, of course, they must be read in the context of today.

Honourable senators, arithmetic is an exact though somewhat dismal subject. It is necessary, however, for me to refer once again to the results of the general election of June 18, 1962. I am not doing this for any political purpose but in order to make my point. Before that election the present administration had in the House of Commons an overwhelming majority of members who had been elected by an unprecedented popular vote. Accordingly, I frankly conceded in 1958, and I quote:

> It has received a general mandate to administer the affairs of the country for the next five years and has received a specific mandate in certain matters.

Honourable senators, in consequence of the recent general election, the statement I have just quoted no longer stands. The Government has now elected a substantial minority of members to the House of Commons and these were elected by a comparatively small percentage of the popular vote.

Hon. Mr. Hollett: Thirty-seven per cent.

Hon. Mr. Macdonald (Brantford): In addition it elected only a minority of members from the two most populous provinces of Canada. Nor has it indeed been demonstrated that the Government can command the support of the House of Commons for any appreciable length of time.

Accordingly, I feel that I should be just as frank now as I was in 1958. The Government remains in office by sufferance of those members of Parliament who, during the election, opposed the policies and program of the Government. It has no clear mandate from the people, either as to general policy or as to specific measures. We must, as a responsible second chamber, take the general attitude that no piece of government legislation which might come before us in the current session could be said to have behind it a clear popular mandate. Therefore, it will be necessary for us in each case to give all legislation even more searching investigation than has been our custom following a conclusive popular verdict.

Honourable senators, this leads me to the fourth and the most important principle in

my view relating to the constitutional responsibilities of the Senate. This principle remains as applicable today as it ever did. To use the words of Sir John A. Macdonald, it is our duty to take a "sober second look" at all government legislation. I said in 1957 and I repeat now:

> It is therefore a solemn trust, which all senators share alike, to examine with the utmost care all legislation which has passed the House of Commons. This we must do to ensure that those basic principles which all Canadians hold dear are not lightly or carelessly cast aside for any reason, whether through haste or impulse on the part of the House of Commons, or as a result of political expediency, or compromise, or otherwise.

Honourable senators, may I conclude by saying I am confident that the business of this session will be considered by us far beyond the sharp divisions of party politics, just as in the past, and that we shall at all times consider what is in the best interests only of Canada as a whole. In this regard minority governments cast an added onus on the Senate, and we must remain more alert and conscious of our duties than of our prerogatives.

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

The Senate adjourned until Tuesday, October 9, at 8 p.m.

THE SENATE

Tuesday, October 9, 1962

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

Prayers.

DOCUMENTS TABLED

Hon. A. J. Brooks: Honourable senators, I wish to lay on the table a number of documents. As the list is quite long, I would respectfully request that I be excused from reading it.

Some Hon. Senators: Agreed.

The following documents were then tabled.

Report of the Number and Amount of Loans to Immigrants made under section 69(1) of the Immigration Act for the fiscal year ended March 31, 1962, pursuant to section 69(6) of the said act, chapter 325, R.S.C., 1952. (English text).

Order in Council P.C. 1962-1352, dated September 27, 1962, approving amendments made on August 24, 1962, to the Table of Fees to be taken by the Registrars, Marshals and Practitioners, etc., in Admiralty proceedings in the Exchequer Court of Canada set forth in Appendix II to the General Rules and Orders Regulating the Practice and Procedure in Admiralty cases in the Exchequer Court of Canada, pursuant to section 31(4) of the Admiralty Act, chapter 1, R.S.C., 1952. (English and French texts).

Exchange of Notes between Canada and the United States of America granting permission to the United States to construct, operate and maintain three additional pumping stations in Canada on the Haines-Fairbanks Pipeline. Signed at Ottawa, April 19, 1962. Entered into force April 19, 1962. (English and French texts).

Amendment to the agreement between Canada and the United States of America for co-operation in the Civil Uses of Atomic Energy. Signed at Washington, May 25, 1962. Entered into force July 11, 1962. (English and French texts).

Exchange of Notes between Canada and France concerning the exchange of defence science information. Signed at Paris, May 25, 1962. Entered into force May 25, 1962. (English and French texts).

Exchange of Notes between Canada and the United States of America modifying the agreement of March 9, 1959, between the two countries in order to provide for the suspension of tolls on the Welland Canal. Signed at Ottawa, July 3 and 13, 1962. Entered into force July 13, 1962. (English and French texts).

Exchange of Notes between Canada and Greece concerning the exchange of defence science information. Signed at Athens, July 17 and 18, 1962. Entered into force August 18, 1962. (English and French texts).

Exchange of Notes between Canada and Norway supplementing the aircrew training agreement of April 6, 1960, between the two countries. Signed at Oslo, July 20, 1962. Entered into force July 20, 1962. (English and French texts).

Exchange of Notes between Canada and Mexico constituting an agreement permitting amateur radio stations of Canada and Mexico to exchange messages or other communications from or to third parties. Signed at Mexico, July 30, 1962. Entered into force August 29, 1962. (English and French texts).

Agreement between Canada and Sweden for co-operation in the peaceful uses of atomic energy. Signed at Stockholm, September 11, 1962. (English and French texts).

Report of the Department of National Revenue for the fiscal year ended March 31, 1962. (English and French texts).

Report on Actuarial Examination of the Canadian Forces Superannuation Account in the Consolidated Revenue Fund as at December 31, 1960, pursuant to section 25 of the Canadian Forces Superannuation Act, chapter 21, Statutes of Canada, 1959. (English text).

Report of Eastern Rockies Forest Conservation Board for the fiscal year ended March 31, 1962, pursuant to section 10 of the Eastern Rocky Mountain Forest Conservation Act, chapter 59, Statutes of Canada, 1947. (English text).

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY COMPANY—FIRST READING

Hon. Walter M. Aseltine presented Bill S-4, respecting the Canadian Pacific Railway Company.

Bill read first time.

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

Motion agreed to.

THE EASTERN TRUST COMPANY—FIRST READING

Hon. Donald Smith presented Bill S-5, respecting The Eastern Trust Company.

Bill read first time.

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

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, October 4, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. A. J. Brooks: Honourable senators, allow me to join with those who have spoken already in this debate, to express my congratulations to our distinguished Speaker. We have all heard with great pleasure of his appointment to the Chair of this chamber. He brings to the post great distinction and dignity. I sincerely hope that he enjoys presiding over our deliberations as much as we enjoy having him do so and that he will continue as chief custodian of our rules and privileges for many years to come. To me it gives a special pleasure to see an old and distinguished friend and comrade receive such a high honour.

I welcome the honourable senator from La Salle (Hon. Mr. Drouin) to the floor of the Senate. As our honourable Speaker for the past several sessions he was necessarily confined in his remarks to that sphere. We look forward now to his active participation in the debates of the Senate. The wisdom and insight which he displayed as Speaker promise us an excellent contribution. Few men are better qualified.

Again honourable senators, I would like for a moment to pay tribute to my affable and capable colleague (Hon. Mr. Aseltine) whose duties I have assumed as Leader of the Government. I hope that when my turn comes to lay aside this task, be it early or late, it can be said of me, as is said now of the honourable senator from Rosetown (Hon. Mr. Aseltine), that he has the respect and admiration of all parties.

Very shortly after I was appointed, I received a letter from Senator Aseltine warmly congratulating me and offering any assistance he could give. I was not surprised, and gratefully accepted his offer. I expect to rely heavily on his long experience, particularly during this session of Parliament. May I say, honourable senators, that I feel I am indeed fortunate to have the honourable senator from Rosetown (Hon. Mr. Aseltine) on my left and the honourable senator from Ottawa East (Hon. Mr. Choquette) on my right. They will probably keep me fairly straight.

I am grateful too for the ready help and advice that many senators have promised me as a new boy at the desk of the Leader of the Government. If the addresses we have heard from the mover (Hon. Mr. Haig) and the seconder (Hon. Mr. Fournier, Madawaska-Restigouche), for an address in reply to the Speech from the Throne are a fair sample of what we may expect from the new senators we have welcomed to this chamber, the Senate will be indeed enriched by their presence. The quality of Senator Haig's fine speech on Wednesday last came as no surprise to those familiar with his success at the Manitoba Bar and his reputation in the city of Winnipeg. I offer him my heartiest congratulations, both on his accession to this body and on his first contribution to our debates. Honourable senators, I could not help feeling how proud his distinguished father, who was a member of the Senate for so many years, would have been had he been present to hear his distinguished son deliver his speech the other day.

Hon. Mr. Connolly (Ottawa West): Hear, hear.

Hon. Mr. Brooks: The seconder of the address in reply, the honourable senator from Madawaska-Restigouche (Hon. Mr. Fournier) comes from my native province and has long been a personal friend of mine. His service to the province of New Brunswick and to the Acadian people he represents is well known there. He brings to this chamber a wide experience in public affairs. I congratulate him, too, upon his splendid maiden speech of Wednesday last. I might say, honourable senators, that he had a short time to prepare, since he became a senator only a few days before the Senate opened, for which he deserves all the more credit. I compliment him for the excellence of his speech, both in material and delivery.

Again I extend my welcome and hearty congratulations to our new senators. I can truthfully say we have one of the most promising and able freshmen classes that ever entered this chamber. This includes one of Canada's most able and successful businessmen, the honourable senator from Gormley (Hon. Mr. McCutcheon). We are proud and happy that he was chosen a member of Prime Minister Diefenbaker's cabinet. Senator Grattan O'Leary is one whose reputation as a journalist and orator is second to none in Canada. Senators Haig and Willis are outstanding members of the Canadian Bar. We have an outstanding businessman and organizer in Senator Grosart; we have a former minister of a provincial house and an expert

in hydro development, in Senator Edgar Fournier; a hard working ex-member of Parliament, in Senator Clement O'Leary; and an outstanding fruit grower and exporter from the province of Nova Scotia, in Senator Welch. These gentlemen are all able and well-equipped to make major contributions to our work and to our debates.

We miss Senator Thomas Farquhar and Senator John T. Haig, who resigned a short time ago because of ill health. You all knew these two fine gentlemen. We join the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford), in the sincere wish, which he so eloquently expressed in his speech of the other day, that "they will continue to live in comfort, without pain, despite their poor health, in the years to come, and over those years we shall be thinking of them."

I join the honourable Leader of the Opposition in congratulating Honourable Senator Cameron on his receiving the Golden Jubilee Award from the University of Alberta, which was certainly well-deserved.

It is appropriate, while we are extending congratulations, to refer to the great honour which has come to the honourable senator from North York (Hon. Mr. Sullivan). He has been elected President of the American Otological Society, the leading ear surgical society of the world and, in addition, has been made an honorary member of the Canadian Otological Society, an honour which I understand is shared by only three other men in the world. I believe that to be president of the American society is looked on as being one step lower than receiving the Nobel Prize. We heartily congratulate our genial Senator Sullivan.

Honourable senators, I am grateful to all of you for kind remarks and good wishes to me in this role as Leader of the Government. Particularly, I am indebted to the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) for his generous words and for the co-operation and amity he has extended to me to date in the session. I had, of course, expected nothing else from this most gracious gentleman, as we all know the Leader of the Opposition to be, and especially from an old friend and comrade, from 1935, when we were in the House of Commons, to this day.

At this time I wish to join Your Honour in an expression of sincere sympathy—and I am sure I speak for all honourable senators—to Senator Ross Macdonald on the tragedy which has come to him and his family in the loss of his dear and lovely wife who for many years has been a kind and a good friend to all of us.

I look forward confidently to a continuance of the amicable relations that obtained between the Leader of the Opposition and my predecessor. I think we both appreciate that the need for cool heads and calm judgment here is all the greater in a session when tempers in other forums will be shorter even than usual.

Honourable senators, I am deeply conscious that I follow in the footsteps of exceedingly able men in the post of Leader of the Government. I hope that in some small degree I can measure up to the standard of excellence which is the legacy from the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford), the Honourable Mr. Robertson and the Honourable Mr. Aseltine, who are still my colleagues in the Senate.

I am indeed humble as I cast memory's eye upon the list of distinguished and able parliamentarians who over the years have occupied this role. In other days it was the seat of Arthur Meighen, whose deft imagery and eloquent phrases still linger in this chamber. Here stood the great Dandurand of precise logic and honed argument. This old room was host to many of the chieftains of our history. It is with pride and humility that we hold today, in our turn, the customs and high standards which they have passed to us.

Honourable senators, the first paragraphs of the Speech from the Throne remind us how important are the links which bind together the members of the Commonwealth. Since the last session of Parliament we have been host to His Royal Highness, the Duke of Edinburgh, and to Her Royal Highness, the Princess Royal. In the past four months we have welcomed four new self-governing members of the Commonwealth, strengthening one of the greatest associations of nations that the world has ever known under a common spirit and tradition, regardless of race or creed. Honourable senators, no one knows better than we do how firm are the bonds that bind us. We have fought side by side in war. We have through many generations walked arm in arm in peace with the older members of the Commonwealth, and we hope to do so with the newer ones. Only those who cannot understand this unusual filial trust that stretches across vast continents and every sea and into every clime can make the mistake of looking upon a family conference as a family quarrel. We have conducted negotiations in the Commonwealth in other days much more difficult than any that face us now and have always emerged from our compromises even stronger than before.

While we look abroad to our friends in this commonwealth family, and strengthen our ties with other nations of the world, we shall

in this session of Parliament see positive measures designed to foster and strengthen our national spirit. In particular, as we approach our centennial ceremonies, I am sure all will welcome the Prime Minister's and the Government's proposals to help search out for all Canadians an even deeper pride in our land. The conference of Canada and the provinces in consultation regarding the choice of a national flag and other national symbols forecast in the Speech from the Throne could well spark a re-dedication to our national theme.

All Canadians have noted with interest and agreement that a resolution will be introduced to provide for the repatriation of the Constitution of Canada and the concurrence of the provinces to this end. The opening of Canada's vast north will some day mean the establishment of new provinces there and it is surely not too early to improve the constitutional organization of the Northwest Territories and to provide more self-government for our Canadian citizens north of the sixtieth parallel.

We also look forward with interest to the implementation of measures which will encourage the development of Canadian periodical literature. In the hearts of Canadians today there is an ever-growing desire to knit together all provinces and regions into a stronger and more prideful people, ever more conscious of our history and national purpose. Under the leadership of the Prime Minister we are moving most rapidly in this direction. This is the time to round out Confederation, in the spirit as well as in the law, to confirm our nationhood in form as it is in fact.

It was very gratifying to note in the Speech from the Throne the continued marked emphasis upon steps to stimulate and boost the economy. As the Prime Minister expressed it, the primary goal of the moment and the distinct feature of the Throne Speech is "to keep Canada moving economically". I know all honourable senators will agree that that objective must at this time override most other considerations and, in particular, partisan considerations.

Honourable senators, we look out from this chamber on a rapidly changing world. The current of events in this decade swirls along in a headlong rush that waits for no man and no nation. In its course old buttresses and monuments are crumbling to be replaced by the modern, the scientific and the new. This is as true of national economies as it is of the satellites careening through the vast voids of space. Canada has recently shown it can take its place in the world of cosmic flight and investigation. And the Speech from the Throne indicates that we are also reaching out to new methods of organizing our economy and planning our future.

One of the most interesting proposals of the Throne Speech, and one which I suggest is the beacon of the future, is the establishment of a National Economic Development Board. The purpose of this board is generally defined as follows, and I quote from the Throne Speech:

> This board would be broadly representative and would review and report upon the state of the economy and upon economic policies. It would also have the duty of recommending to the Government particular projects or measures which it considers would be in the interest of national development, including projects which may require direct governmental participation by way of financial aid or otherwise.

This proposal follows the constitution of the National Productivity Council in the last Parliament.

We hear much these days about the success of the European Economic Community. It is well to remember that, while an important reason for this success is due to the reduction of barriers to trade between the member countries, such as tariff and currency problems, the formula of European rebirth has involved very much more than freer continental trade and convertible funds. One of the reasons for the remarkable rate of growth of some of these countries is to be found simply in the fact of the limitless markets for goods in Europe in the replacement of a living standard sundered by the war. They grew fast because they had so far to grow. Marshall Plan aid, and the new factories and ultramodern machines and tools it provided, also played a vital part. This is past history and I am sure it is well known to all our people.

However, clearly more important than any other factor was the determination of these European nations, some crushed by the war, others perforce at a standstill for some ten years, although not directly at war themselves, to achieve rapid economic gains and relatively much higher living standards. They were determined to rebuild their countries, and Europe, from the rubble of war. For some countries such as West Germany, it meant starting from nothing in many phases of industry. They have been very successful. What was the secret of their success? National Planning and close teamwork among business, labour and governments at all levels.

I have a clipping from the Ottawa *Journal* of September 29 which I think honourable senators will find interesting. It says:

> "Europe's present affluence was not born in the Common Market but in na-

tional planning", a Paris professor-journalist, Dr. Maurice Duverger, told the Retiring Executive's Dinner at the annual meeting of the Quebec Chamber of Commerce Friday night.

Dr. Maurice Duverger said: "Europe's recovery and growth, especially within the last ten years, has been the product of a non-compulsive, co-ordinated system of business, labour, municipal, regional and national planning."

Again, I am sure, honourable senators will find most interesting the report of the Labour-Management-Government mission which was sent by the National Productivity Council to study systems now in force in Europe in this regard. The mission has recently returned and a partial text of its report is to be found in the *Globe and Mail* of Thursday, October 4, from which I would like to quote just briefly. It states in part:

> In Europe, public opinion demands a genuine broad policy of economic and social development. The implementation of this social and economic policy has led to steps which have been taken in all but one of the countries visited by the mission.
>
> The methods of applying the steps vary widely from country to country, depending on the social, political, cultural and economic development of the country. Nevertheless, each of the six countries visited has implemented a plan, formal or otherwise. In all cases, the success of the plan rests to an important extent on the voluntary support of labour and management and on their enthusiastic participation in the planning process. There is little doubt that labour-management-government co-operation has contributed greatly to this general prosperity.

The report goes on to say:

> The mission was impressed with the spirit of the relationship existing between labour, management and government, the way in which they work together in the national interest, and the mechanism of consultation and co-operation which has been established and used to achieve economic successes in most countries visited. The spirit of co-operation has spread to the industry and plant levels in most countries and the machinery for consultation and co-operation is working in industries and plants through joint councils and committees at that level as well.

The report also deals specifically with the economic development councils and productivity councils in Germany, Sweden, Belgium, France and Britan. I read another short item from the report:

> In particular, the mission was impressed with the notable spirit and desire of labour, management and government to achieve the social and economic objectives without submerging their own real interests.

If this has been the blueprint which these Europeans have followed so successfully, I am most pleased to see that we propose to emulate it.

I noticed recently that the Premier of Nova Scotia announced that a council for economic planning would be set up in that province. A major part of its functions will be to seek to lead management, labour and government agencies into close teamwork toward the achievement of targets of production and sales.

In the decade following the last war, when Canada could sell anything she could produce of any quality and at any price, we could be prosperous without government leadership and industrial teamwork. We had no competition. Most of the great trading nations of the world lay in ruins. They were consumers of our goods, not the stiff competitors they are today.

The situation was neatly summed up in an editorial which appeared in the Montreal *Gazette* of October 4 last, and which, if honourable senators will bear with me, I would like to read because I think it is most appropriate at this time. It reads in part:

> . . . the causes of Canada's dollar difficulties go deeper in depth, and in time, than the agitations of the recent election. Canada has been vulnerable to such a crisis for a very long time. It had to happen sooner or later; it could happen again.
>
> It is awareness of this fact that has led Mr. Per Jacobsson, managing director of the International Monetary Fund, to say only a few days ago that he hopes that Canada's recent success in improving her dollar situation will not induce the Canadian Government and people to postpone the more far-reaching measures that will be needed.
>
> The fundamental fault lay in Canada's tendency to look upon the artificial prosperity in the years after the war as being a permanent and dependable condition. That was an unreal world that could not last. Preparations ought to have been made, many years ago, to prepare for the transition that would inevitably come.
>
> Canada had emerged from the war with her economic machinery intact. In a

> world desolated and dislocated by war, Canada became one of the great sources of supply. Everything boomed. Yet a day was bound to come when those very nations most broken down by the war would become the most aggressive competitors, when alternative sources of supply would be found in the world for most of the things Canada had to offer and when other parts of the world would become at least as attractive to international investors.
>
> All through those lush years the coming of a change was rarely spoken of; little or no preparation was ever made to meet it when it would come.

We are definitely on the right track in the formation of a National Economic Development Board, and I await the legislation with interest.

Honourable senators, it has been often said that Canada lives by trade. On a per capita basis we are the largest trading country in the world. The high standard of living which we enjoy is surpassed by only one nation in the world and that nation has more than ten times our population. It is, therefore, with great satisfaction we note that our total commodity trade for the first six months of this year was the largest in our history. The figures at the end of July, the latest month for which data is available, showed a remarkable 13.6 per cent increase over July of 1961. Particularly noteworthy is the fact that sales to the United States are holding at 20 per cent above last year. The great trade drive and the devaluation of the dollar have been an outstanding success. The Minister of Trade and Commerce deserves our applause in full measure for his good work.

The Speech from the Throne outlines a definite continuation of the Government's policy to expand further our "vigorous campaign of export trade promotion". The Export Credits Insurance Act has been the source of foreign sales which could never have been possible, particularly in credit-conscious southern nations, without it. It has been the *sine qua non* of aircraft, locomotive and steel orders and other commodity sales in the past few years. In the past twelve months alone the Export Credits Insurance Corporation has insured upwards of $110 million worth of Canadian goods marketed in more than ninety foreign countries. Another $100 million in credit insurance is now pending. In long-term export financing $50 million in heavy capital equipment sales has been insured and another $75 million has been committed. This is good business for Canada. I venture to say that not a dissenting voice will be raised when we are asked in this session to double the corporation's insurance liability and improve long-term financing arrangements.

In the field of domestic financing, secondary industry and business generally rejoice that the Industrial Development Bank Act will be amended to further enlarge the bank's role in national development. The liberalization of the bank's lending policy in recent years has been in stark contrast to its attitude prior to 1958. It is now one of the most important sources of industrial credit in Canada, particularly in regions such as the Atlantic provinces where private money is not as readily available as elsewhere. The further expansion of the bank's facilities and lending resources is extremely welcome.

I do not have time this evening to deal at length with all of the items contained in the Speech from the Throne which together add up to a realistic blueprint for economic growth and progress. These will be developed by some of my very able colleagues who will follow me in this debate. The budget resolutions, which will be reintroduced, speak for themselves as direct, positive boosters of manufacturing and processing sales; of further oil and gas exploration, and of encouragement of our logging and iron mining industries. Moreover, what could be more indicative of the Government's resolve to promote a climate in which industry will be encouraged to modernize and to keep up with world scientific trends than the tax incentives designed to foster industrial research and its application to industry? These are the forward-looking policies of Prime Minister John Diefenbaker that all commend themselves to the people of Canada.

Of the same character are the moves to foster an inland merchant marine and to stabilize railway freight charges. The former, combined with last session's mammoth subsidies to refurbish our shipbuilding industry, will be welcome news, not only on the Great Lakes but in all our shipyards from the Atlantic to the Pacific—and I might say that we have some splendid shipyards in both the east and the west. The latter, the railway freight problem, has too long prejudiced and discouraged the development of certain areas and producers. The Prime Minister, whom we Maritimers salute as the best friend we ever had, obviously is not slackening his positive program to extend equality of opportunity to all Canadians everywhere.

Of concern to all industries, both primary and secondary, are the grievous problems that arise from automation. On the one hand, new machines require new skills that are short in supply. On the other hand, nothing is more tragic than the plight of the worker whose

employment has disappeared into the mysterious maw of some electronic or other device which has come to replace him. This is one of the great problems of the technological age—this age of rapid and revolutionary change. This certainly is a field in which all levels of government must co-operate with management and labour to ease the adjustments and to provide the training and reorientation that is needed. Again, this is a sphere where the leadership of the present Prime Minister is unmistakably evident. It is to be a further step in the progress of providing more skills and better training for Canadian workmen under which vocational and training schools are mushrooming from coast to coast. The federal contribution to these schools alone at present is $267 million. Over 130,000 old and young Canadians are reaping the benefits.

All Canada rejoices at the bountiful harvest of the Prairies. No doubt the good senator to my left (Hon. Mr. Aseltine) will tell us more about that later. Combined with the outstanding success of the Minister of Agriculture in finding unparalleled new markets for grain, it augurs well for a further highly successful year for agriculture.

I am very pleased to note that the Government, far from being satisfied with the great increase in farm cash income, proposes even further stimuli to the agricultural economy. The encouragement of our livestock industry by the building of grain-storage facilities in both east and west will benefit all Canadians. The farmers of Canada are eagerly awaiting the legislation which will be forthcoming in this session from the vast new program of agricultural rehabilitation and development. The expanding of credit sources to the farmer under the provisions of the Farm Credit Corporation will answer the fair and practical requests of our farming people over a long period of time.

Again, we are all most pleased to see that in the field of agriculture, it is proposed to develop facilities for training that are proving so successful at the present time in other spheres of employment. More and more, Canada requires highly skilled people, and this is as true of the farm as it is of the modern, automated industrial complex.

Over the years to come Canada must play an ever-increasing part in providing food for a hungry world. We can be very proud of the leadership shown by the Prime Minister and the Minister of External Affairs, which has resulted in the adoption by the United Nations of a world food program. And, as honourable senators know, the idea originated with our Prime Minister. As we meet the new Asiatic and African peoples now on the march, nothing could be more obvious than that we can lead them to the paths of our democratic faith only if they find that our faith is combined with charity.

Honourable senators, there were some criticisms made by my good friend the Leader of the Opposition (Hon. Mr. Macdonald, Brantford), on behalf of the Opposition, which I feel I should answer briefly at this time. One of the criticisms we heard here, and which we heard much of from the Opposition in the other place, was that the Prime Minister had no right to speak for Canada at the Commonwealth conference.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Brooks: My friend says "Hear, hear". Who else could speak for Canada—the Leader of the Opposition? The Leader of the Opposition had 100 seats, the Prime Minister had 116. Should it be the Leader of the Social Credit party, or the Leader of the New Democratic party? None of these people had the right, except the Prime Minister, who spoke as the constitutional authority for Canada. Constitutionally, the Prime Minister continues as such until he resigns, or until some other person wins a sufficient number of seats so that he would have a prior right to form the Government. No one else had, in June, or has now, a more likely prospect of forming a Canadian Government. Surely, the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) was not serious in his remark, particularly in view of the recent votes of confidence in the House of Commons since Parliament met. There is another vote to be taken tonight, and I have not the least doubt, honourable senators, the result will be an endorsation of the Prime Minister and his Government.

Hon. Mr. Roebuck: Thanks to the Social Credit party.

Hon. Mr. Brooks: It does not make any difference. The men who are elected by the people represent the people; and if the majority of the Members in Parliament, no matter to what party they belong, support the Government, then the majority of the people in Canada are supporting the Government. There can be no doubt about it.

Another criticism was that Canada's attitude was not the proper one and did not represent the views of the people. How can the Opposition, or anyone else, know whether or not the Prime Minister represented the views of the Canadian people? Who was to say? Every other commonwealth Prime Minister held the same views as did our Prime Minister. Are all of these commonwealth statesmen wrong, and is the Leader of the Opposition the only one who is right? Prime Minister Macmillan had reassured the whole

Commonwealth that a condition precedent to Britain's joining the European Economic Community was the safeguarding of the interests of commonwealth nations. That was generally understood by all commonwealth Prime Ministers, who would have betrayed the trust of their peoples had they not pressed strongly for as wide-open a window as could be obtained in the Common Market tariff wall. Why did the prime ministers from the four corners of the world gather at London, except to urge Britain to seek the best possible terms for herself and for the Commonwealth in Common Market negotiations? That was the purpose of their going to the conference and that is what they did. Any other course would have been ridiculous.

Now as to the view of the people. This leads me to refer to press clippings. Canada is a broad country, and there are many newspapers to choose from, but I shall quote from only a few of them. First, I shall quote from the Regina *Leader-Post* of September 13 last:

> What the prime ministers stated left the impression the feeling was shared that Britain will join providing that the final terms are fair and reasonable and that, as Prime Minister Macmillan declared, there are "satisfactory safeguards for other Commonwealth countries".

Next I shall quote from the St. Catharine's *Standard* of September 19:

> To suggest—as certain politicians currently on the election warpath have done—that Prime Minister Diefenbaker, Mr. Nehru of India and certain other commonwealth leaders have stabbed Britain in the back by opposing its E.C.M. plans, is to confuse the facts, or worse. Mr. Diefenbaker spoke for what he felt were the best interests of the commonwealth. And so did the other commonwealth prime ministers.

Now I quote from the Winnipeg *Tribune*, September 17:

> The contention by Mr. Pearson and other Opposition spokesmen that Canada has lost its influence and prestige at international conference tables does not stand up. If Canada had little influence, no one would be paying much attention to Mr. Diefenbaker's views in London. This is certainly not the case.

The Fredericton *Daily Gleaner* of September 12, said this:

> Prime Minister Diefenbaker has made many a telling speech in his long career as politician and statesman. He never did better than yesterday when, as acknowledged leader of the Commonwealth Prime Ministers meeting in London, he gave his views—and Canada's—on the issue of Britain's proposed merger with the European Common Market.
>
> Diefenbaker is the key man at this conference. What he said will have a profound effect.

Another matter which the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) mentioned was the World Food Bank. I have already dealt with that. I was pleased to hear him endorse the Prime Minister's outstanding work towards making more of our surplus food available to needy nations. He also criticized our economy, in these words:

> ...we are on the downgrade in regard to our economy.

And to substantiate this he went on to say:

> I think from what I have read it is clear that the Canadian Manufacturers' Association has lost confidence in our Government.

I would now like to quote from *Industry*, a magazine which I note is published by the Canadian Manufacturers' Association. In the September issue under the heading "Forging Ahead" it says:

> How fares the Canadian economy as summer gives way to fall in this year of 1962? The answer is that it is faring very well indeed.

Does that sound as though the Canadian Manufacturers' Association did not approve of the Government's stand? It goes on to say:

> Industrial production in the first six months of this year was up more than nine per cent on the same period of 1961. Likewise manufacturers' shipments. Retail sales were higher by more than five per cent.
>
> Output of passenger cars and passenger trucks climbed by more than 30 per cent in the first half of the year, sales by more than 20 per cent.
>
> The buoyancy of the economy in general and of manufacturing industry in particular was the reason why there were a record number of Canadians at work at the end of July—180,000 more than a year earlier—and why nearly 50,000 fewer were without employment. Significantly, of those who were looking for a job—4.5 per cent of the total labour force—only one in three had been unemployed for more than three months.

The honourable Leader of the Opposition spoke of the unemployment picture. I have just mentioned how it has changed. At page 34 of *Hansard*, he commented that the unemployment problem "was laughed off". I am

sure he could not have been serious in this remark, for as a very able man he knows that this is not so.

Never in the history of Canada has there ever been a more constant drive to create employment than we have seen in recent years: the massive winter works program, the most ambitious housing construction program in our history, money pumped into the economy through the Industrial Development Bank, small business loans, and so on. A crash program for vocational training that we should have had 20 years ago was undertaken, grants to the provinces were doubled, large subsidies were provided to shipbuilding, special help was given to municipalities, to the Atlantic provinces and the west. It would take a long time, honourable senators, just to list the measures taken to prime the economy.

Look at the present picture in employment. Since the first quarter of 1961 employment has been rising steadily. Total employment in 1961 averaged 94,000 higher than in 1960. But in the first eight months of 1962 employment was 197,000 higher on the average than in the corresponding period of 1961.

During the summer months a record of 268,000 young people entered the labour market. But in spite of this, total unemployment in August was estimated at 280,000, some 43,000 lower than a year earlier. In my opinion these figures speak for themselves.

The honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) supported our drive to increase our exports. However, I have wondered if he misunderstood the situation when he stated that "manufactured articles of any kind come thirteenth among our exports".

Honourable senators will recall that the honourable Leader of the Opposition made the same mistake last January in his address on the Throne Speech. At that time he proffered a list of our principal exports in 1960. If he will examine the list closely he will note that many of the top items are manufactured products. The honourable senator from Ottawa (Hon. Mr. Lambert) may not agree with this. I mentioned pulp and paper the other day. The biggest item of all, newsprint paper, is, in my opinion, fully manufactured. It is a manufactured article. It has been Canada's greatest export for a number of years. I think it amounted to over three-quarters of a billion dollars last year and it is running very close to a billion now.

Lumber is surely a semi-manufactured product. We do not take lumber and build houses and factories in Canada and ship them to other parts of the world. We ship our product, lumber, which is a manufactured product. Wood pulp requires only one more process to become paper. Aluminum is manufactured from bauxite which is imported to Canada from the West Indies and other parts of the world. Surely it cannot be called a non-manufactured article. The reference to semi-fabricated products such as aluminum, nickel and copper could be misleading. These items are exported in a form far from the ingot stage. In most cases only one step more is required before they reach the hands of the final consumer.

All these articles which I have mentioned supersede farm implements and farm machinery in the list which was produced by the Leader of the Opposition.

Of course 1961 was a year of further important strides in final manufacturing in Canada. For example, motor vehicle production rose by 29.8 per cent. This is a trend that we are all pleased to note and is a result of continuing efforts by the Prime Minister and the Government in this regard.

I agree entirely with the Leader of the Opposition, that we must increase our manufacturing along all lines, and Canada is particularly suited to certain manufactures. We are suited particularly, of course, to the manufacture of pulp and paper, to the processing of our minerals, lumber and other products. This we are doing, while we maintain them at a high standard. As I say, I agree entirely with the Leader of the Opposition: let us try to develop these other industries. I contend that the Government is doing this in every way possible, and it has a very good blueprint in the Speech from the Throne for continuing to do so.

The Leader of the Opposition devoted a large portion of his remarks to the position of the Senate when the House of Commons is led by a minority Government. "The mandate of the Senate", he called it.

I quote from his remarks in the *Debates of the Senate*, at page 39:

> We must, as a responsible second chamber, take the general attitude that no piece of government legislation which might come before us in the current session could be said to have behind it a clear popular mandate. Therefore, it will be necessary for us in each case, to give all legislation ever more searching investigation than has been our custom following a conclusive popular verdict.

This is an argument for which the Leader of the Opposition will find little support either in this chamber or in the nation. He will no doubt appreciate that it makes no difference by whom a bill is introduced in the other place. If it receives a majority vote there it then comes to us as a measure endorsed by the elected representatives of the people of

Canada. The fact that it was sponsored by a minority government gives no cause to consider it any differently than we would a measure introduced by the strongest of governments.

The Leader of the Opposition calls the Right Honourable Arthur Meighen as his witness in support of this new constitutional principle he proposes. He quotes a speech of Mr. Meighen's which I find was delivered in 1937 by that eminent gentleman to the Canadian Club in Montreal. I might say from the paragraph he mentioned I can find nothing to support his argument.

If he will read further from that address—I have seen it, and an eloquent address it was—he will find that Arthur Meighen made the following convincing argument:

> The great mass of legislation has, however, no relation to any special dictum of the people in an electoral contest at all. The great mass of legislation springs from circumstances of the hour. Something has to be done, in the judgment of the administration, and the administration works out its solution in such a manner as it deems fit, and submits that solution to Parliament. There is no question of a mandate at all in the case of at least 98 per cent of the measures which come to either house.

Note, "98 per cent"—practically all.

> If it is a subject naturally within the purview of Government, something to do with administration; if it is a reflection in a bill of what the Government should be and feels itself best suited to handle, and if it does not affect positive principle going to the root of our institution, then I would say that even though it was thought a better way might be devised, even though it was thought that on a balance of merits the bill failed, it would be wiser for the Senate, if it can, after making such remedial amendments as will improve the measure, to allow the Government to have its way.

That is the witness the honourable Leader of the Opposition mentioned the other day in support of his argument.

I would also like to refer him to a recent editorial in the Ottawa *Citizen*. Similar editorials have appeared in the press across the country, but I quote from the *Citizen*:

> Senator Macdonald argues that the Government has no clear mandate from the people, having been rejected by a majority of the electorate. This is a weak argument.

I have known the Ottawa *Citizen* for 25 years, and it has never been a strong supporter of the Conservative party. The editorial continues:

> And the Senate has no mandate at all. Whatever the original intention in establishing the second chamber, whatever the views of the first Prime Minister, Sir John A. Macdonald, that the Senate had the duty of taking a sober second look at government legislation, for all practical purposes the Senate is not a legislative body.
>
> The argument that the Government has no clear mandate holds little force. As Senator Macdonald is no doubt aware, under the parliamentary system a Government does not draw its authority from the people, but from Parliament. As long as the House of Commons supports a government it has a mandate.

The Senate should, as Sir John A. Macdonald suggested, take a "sober second look" at all legislation. That is good advice, no matter what legislation it is. However, I hope that in the other place they will take a sober first look at all legislation and not agree to defeat it out of hand. If that is done fairly I think we shall all find that the program as set out in the Speech from the Throne contains the answer to the many problems we have at present.

The election campaign is over. The people of Canada, I am sure, expect us to realize that and get down to the work of the nation. That is what the Members of Parliament are here for at the present time. It is not by calling for motions of want of confidence that the affairs of this country are going to be attended to. If an election must come, let it come in due time. Until then, let us do the nation's business that we were sent here to attend to.

In conclusion, honourable senators, we are launched upon a decade of change, challenge and conflict. Every nation in the world, including our own, is faced with difficult adjustments. The prime responsibility of parliaments everywhere is to make citizens aware of the necessity of adapting to rapidly-changing situations, to provide the leadership that boldly faces the international facts of life and accommodates as circumstances require. Flexibility is a vital ingredient of stability. Realistic perspective, open-minded appraisal of the untried, bold acceptance of legitimate risk, readiness to seek out reasonable compromises between yesterday and tomorrow—these are the touchstones of the years ahead. I am sure that young, robust Canada will not falter or hesitate to pick up this gauntlet. Our nation is healthy, strong, vital. At its back lie resources of mine, forest,

sea and farm which are the envy of the world. Our economy is on the upsurge. The future has no limits to its bounty.

We have problems—we always will. Every nation has problems. Look at those of some of the European countries today. We face our problems with the confidence and energy that has been of our spirit from the days of Champlain and Mackenzie, from the days of Macdonald, Cartier and Laurier. We have always been ready to struggle for the world's prizes, as a nation and as a people.

This Speech from the Throne calls us to the tasks. We need the wages of increased production, the earnings of export sales. We need an even stronger economy to provide ever more employment. We need a balanced budget, an unceasing attack on our long-standing imbalance of international payments. We need a universal contributory pension scheme, portable pensions, and a generally constantly improving structure of national welfare and social security. If we address ourselves to the first tasks with teamwork and co-operation, the latter will follow in fullest measure. I support wholeheartedly the proposals as made in this Speech from the Throne, and I know if these proposals are passed into legislation by this Parliament of Canada they will go a long way toward solving the many problems with which we are faced.

On motion of Honourable Mr. Lambert, debate adjourned.

THE LATE MRS. W. ROSS MACDONALD

TRIBUTE TO HER MEMORY

Hon. Arthur W. Roebuck: Honourable Senators, at the opening of this sitting, and before the doors were opened, His Honour the Speaker made a most moving tribute in sympathy to the Leader of the Opposition (Hon. Mr. Macdonald) in the great loss which he has recently sustained in the death of his helpmate, that charming and admirable lady whom we all knew and admired.

I move that these remarks, which so eloquently express the sentiments of all of us, be placed upon *Hansard*.

Hon. Mr. Brooks: May I have the honour of seconding that motion.

Hon. Senators: Agreed.

For text of remarks see appendix, p. 53.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION ADOPTED

The Senate proceeded to consideration of the second report of the Committee of Selection, which was presented Wednesday, October 3.

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

APPOINTMENT

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

> That the Senators mentioned in the second 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 the 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.

Hon. Mr. Aseltine: I would like to say a word or two for the information of honourable senators. I wish to point out that any senator, not a member of any standing committee, has a perfect right, when any such committee meets, to be present and take part in the deliberations of the committee, to ask questions, to make statements, and in every way to act as if he or she were a member of the committee, with the exception that he or she would have no right to vote.

Motion agreed to.

LIBRARY OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Leave having been given to revert to notices of motions:

Hon. A. J. Brooks, with leave of the Senate, moved:

> That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that the Honourable Senators Aseltine, Cameron, Davies, Fergusson, Fournier (De Lanaudiere), Gladstone, Gouin, Haig, Irvine, Lambert, Macdonald (Cape Breton), MacDonald (Queens), O'Leary (Antigonish-Guysborough), Pouliot, Reid and Vien have been appointed a committee to assist

the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as Members of a Joint Committee of both houses on the said library.

Motion agreed to.

PRINTING OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

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

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

Motion agreed to.

RESTAURANT OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

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

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

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See* p. 51)

THE LATE MRS. W. ROSS. MACDONALD

TRIBUTE TO HER MEMORY

The Hon. the Speaker: Honourable senators, we were all saddened by the news today of the passing of Mrs. Macdonald, wife of our colleague, the Hon. Senator Ross Macdonald.

My colleagues who served in the House of Commons during the term of Senator Macdonald, as Speaker, and other colleagues who have been in the Senate during the period that Senator Macdonald has been a member, will always have the most pleasant and happy memories of the charming and gracious lady who received us as the wife of the Speaker in the Commons, and later the Leader of the Government in the Senate, and Leader of the Opposition.

For over four decades this gracious lady walked through the years, hand in hand with our colleague, always by his side with her warm, friendly smile and words of help and encouragement.

We all realize and appreciate how our colleague will miss his beloved wife.

I know I speak for all honourable senators in extending our sympathy to our colleague and his two daughters in the loss of a loving wife and mother.

THE SENATE

Wednesday, October 10, 1962

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

Prayers.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Report of the Tariff Board relative to the investigation ordered by the Minister of Finance respecting Tableware and Glassware for Decorating, Reference No. 129, dated April 13, 1962 (English and French texts), together with copy of the evidence taken during the investigation (English text), pursuant to section 6, chapter 261, R.S.C., 1952.

Report of the Canada Council 1961-62, including the Auditor General's Report on the financial statements of the council for the fiscal year ended March 31, 1962, pursuant to section 23 of the Canada Council Act, chapter 3, Statutes of Canada 1957. (English and French texts).

CANADIAN NATIONAL RAILWAYS

NOTICE OF INQUIRY—USE OF OLD CARS

Hon. Jean-François Pouliot: Honourable senators, believe it or not, I was so busy this morning that I did not have the time to write down the simple question I intend to ask today, with your permission.

Some time ago the Canadian National Railways bought leftovers of the New York Central Railway. I refer to pullman cars of the Valrose type that are used east of Montreal, and they are the worst in existence on the system. The Canadian National Railways would never dare to use them west of Montreal, especially in the Toronto division, or anywhere else. It seems that these cars are good enough in the east, but they would be insufferable in the west.

My question is simple. I want to know:

(1) How old are those cars?

(2) When were they bought?

(3) From whom were they bought?

(4) How much was paid for them?

(5) Are they used west of Montreal? If so, where?

Hon. Mr. Brooks: Honourable senators, I will take this as notice. I can assure the honourable senator that I am just as concerned as he that they do not use such cars in Quebec and the Maritime provinces, if they are not fit for the west.

Hon. Mr. Pouliot: My fight is for the Maritimes as well as for Quebec.

SONS OF FREEDOM DOUKHOBORS IN CANADA

MOTION TO APPOINT SPECIAL COMMITTEE—DEBATE ADJOURNED

Hon. David A. Croll moved, pursuant to notice:

That a Special Committee of the Senate be appointed to inquire into and report upon the continuing problems presented by the Sons of Freedom Doukhobors in Canada and any problems related thereto;

That this said committee be composed of twenty honourable senators to be named later;

That the committee be empowered to send for persons, papers and records; and

That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

He said: Honourable senators, in moving the motion for the establishment of a special committee of the Senate to study the problems consequent upon the presence in Canada of the Sons of Freedom Doukhobors, may I say at first that I claim no special knowledge of and I am not an expert on this problem, yet I am appalled at the lack of knowledge of it, and I am distressed by the lack of interest by Canadians in it. It appears that Canadians just could not care less; but they should. After sixty years the Freedomites are still in Canada, but they are not part of it.

My purpose in moving this motion is not to lay blame or to be critical of the Government, but to create a real concern for and an interest in the Freedomite problem in the hope of finding some solution. I only know what I have read in the press, what I have heard on the radio, and what I have seen on television.

I have read the 1952 research committee report made by the province of British Columbia. I have read books on the subject and, recently, a few interesting ones. Moreover, I have always had a continuing interest in minority problems.

The Doukhobors came to Canada from Russia in 1899 under a special arrangement with the dominion Government. Originally 7,427 of them came in, and between the years 1900 and 1920 another 417 came in.

It is quite evident that they were in intermittent conflict with the state and clerical authorities in Russia and were dealt with very harshly. They sought refuge from tyranny, and well-disposed humanitarians in

Britain, known as Quakers, made the necessary arrangement with the Canadian Government for their settlement in Canada. Throughout the books reference is made to the Doukhobors as Russian Quakers. Their belief has centred on a direct revelation and guidance which denied the need for a church organization and, by an extension, included a denial of government authority or the right of anyone to use force in human affairs.

They live in communal existence and do not undertake military service. That was a condition of their entry into this country. I think the house will find it interesting to know that 124 Freedomites served as volunteers during World War II. The vast majority of Doukhobors have adapted themselves to Canada and its way of life. Originally they settled in what is now the province of Saskatchewan. You will recall that I said they came here at the turn of the century. Saskatchewan became a province in 1905, and when in that year the provincial government was organized and had some time to look around they decided to open schools in these settlements. The extremist minority then moved on to British Columbia in 1908.

Now, the extremist minority, the Freedomites, have at times refused to pay taxes, to send their children to school or register births, marriages or deaths. We have to face facts—they have been troublesome. Moreover, as a form of passive resistance they sometimes parade in the nude, and when hard pressed by the authorities they dynamite schools and bridges and burn their own homes. They appear to have about 2,000 adherents of whom 200 or 300 are the unrepentant fanatical minority.

I repeat that the vast majority of Doukhobors have adapted themselves and have entered into and contributed to the Canadian stream of life.

In 1958 the Freedomites sought to leave Canada, and the authorities agreed to help them, but negotiations for their emigration broke down. It would appear that Russia refused to exempt them from military service. Some negotiations were also carried on with Brazil, but they seem to have been unproductive.

I said earlier that they are sometimes referred to as Russian Quakers. Originally they came here as pacifists, but about forty years ago they abandoned the original tradition of pacifism and resorted to violence—burning and dynamiting—which was originally directed against the orthodox backsliding Doukhobors but later extended to the whole community. The authorities have tried many expedients: prosecution, imprisonment, exiling to an island, and separating Freedomite children from their parents. A royal commission investigated the problem in 1912, and a fruitless attempt was made at conciliation.

In 1952 the province of British Columbia established a Doukhobor Research Committee, which made a painstaking and understanding report. Nothing seems to have come of that. Now, ten years after that report was made, we are back where we started, and we must report failure. As recently as last week, the Attorney-General of British Columbia made this statement:

> The problem is beyond solving by the provincial government.

The Freedomites are religious fanatics, and to date have been unmoved by punishment and pressures; moreover, they are successful in transmitting their fanaticism to their children.

From time to time remedies have been suggested, such as compulsory relocation as a group in an isolated community or being scattered across the country, but Canadians find such solutions repugnant and unacceptable. These people cannot be deported, they were born here; there is no place for them to go.

In 1959 there was a ray of hope: the women took over control of the Freedomites, and there seemed to be some reason to believe there was a chance of possible integration into the community. Then Stefan Sorokin came from Uruguay to Canada, where he resided for some time. He is the recognized head of the Freedomites. After he left Canada in 1960 the burning and bombings began again.

Prosecution does not seem effective. In 1932 a special prison was built on Pearse Island near Vancouver, where 600 men were confined for illegal acts. In the middle forties there was a further breakout, and 400 were confined. We recently built a prison at Agassiz, British Columbia, where nearly one hundred are now confined. But we are back where we started, building prisons. Certainly that is not a solution. To jail them is an easy way out, but solves nothing. As we look at the Freedomite problem we might very well also take a look at ourselves and realize that we have been lax; there has been an inertia on the part of the Canadian people, a standing-by when we should have been doing something. There has been indifference where there should have been concern; there has been apathy where there should have been indignation. Yet I must make it quite clear that this country will not tolerate violence. Ours is a nation of law. For anyone to defy the law and the constituted judicial process is to strike a blow at the very foundation of our country. In time, people who do so will break themselves against the law.

We must ask ourselves the question: how do we bring these Freedomites into the Canadian stream or, perhaps, draw them back into the peaceful fold of their fellow Doukhobors? I think we must first convince them that we want to help them, not destroy them. We need their full co-operation. The Doukhobors must be treated as human beings. Up to the present we have failed to persuade them to abandon their practices which we find objectionable. Brutality will not so persuade them. Yet we need a solution that is acceptable in a democratic society. It may be difficult to find a reasonable solution, but surely we cannot accept what we have done to date.

These people are Canadians like the rest of us. We are stuck with them. Perhaps an earlier attempt might have been successful in integrating them into the community, yet after sixty years the problem is still on our doorstep. Ideologically, they are not a violent group; rather, they are followers of Tolstoy and are pacifists. They look on the world as a violent place and want their children to have no part of its violence.

I repeat, we cannot resettle these people; we cannot deport them; we cannot take community action against them without subscribing to the principles of group guilt. We have too much to lose to even give consideration to anything so foreign to our nature and our system of government.

In the light of what I have indicated, the Attorney General for the Province of British Columbia has said that we must try to find a solution. It is true that the problem belonged to another age, but it is left over for us to try to solve. We just cannot pass it on. It is one of our unresolved problems. It is a challenge we can no longer ignore. This reminds me of the plaque which used to hang in President Truman's office, which said: "The buck stops here". A decision had to be made there. It could not be passed on to anybody else. I ask: to whom can the Freedomites turn?

We have here a minority, an unpopular minority, with views that appear alien to ours. But that is no reason for turning our backs on them. We cannot just throw up our hands. We have tried social, economic and remedial pressures, and they have not been enough. Still there is no reason for us to give up. They claim they are being discriminated against because of their religious views. Is that true? Should we not try to find out?

We live in a very much mixed-up world. To the south of us a great nation is straining all of its forces to bring about the integration of a minority, and more particularly educational integration. Here we have the Freedomites who resist educational integration.

I wonder whether the Freedomites constitute our only problem that needs understanding. I read a report this morning in the Toronto *Globe and Mail* of an episode that took place last Saturday at Varsity Stadium during the football game between Varsity and Queens. I might say that Queens students had no part in this—the students from that university are blameless. It appears that the Varsity students gave a negro police officer of the city of Toronto a bad time. The officer in question was a negro policewoman who was there with other police officers for the purpose of keeping order. The students kept chanting anti-negro slogans, and cheering for the racist governor of Mississippi. It is amazing how a few drinks rub off the veneer of tolerance, and expose some people for what they are. These are people who display neither learning nor understanding, and this is the type of action that reflects on our homes, on our universities and on all of us. If that is a sample of the take-over generation of tomorrow then perhaps we have many more problems than that of the Freedomites in this country.

The Freedomites appear to have a problem. Should we help solve it? We may yet, by exerting our efforts and bringing our wisdom to the table, bring these people back into the twentieth century.

Honourable senators, I am advocating their cause in this chamber because they appear to require some guidance, counsel, assistance and friendship. They are Canadians like the rest of us. We in this Senate have a special duty with respect to minorities. It is all very well to speak about taking a second sober look at legislation, but there is something else that the Senate was specially empowered to look at and that is minority rights. It must be remembered that the dominion Government brought these people to Canada under special circumstances. There is no complaint about that. We needed immigrants at the time, and there was also a great humanitarian appeal made by well-meaning people throughout the world. No one could have foreseen what would happen.

We have built prisons for these people. We have had the R.C.M.P. police the areas in which they reside. The Attorney General for the Province of British Columbia now says that he is unable to deal with the situation. Does it not fall upon our shoulders? Is it not our responsibility?

In this country we have had much experience with minorities. In the last ten years we have suddenly awakened to the needs of the Eskimos. We have shown a sincere concern and a human understanding for them, and we have taken some constructive action although much more is needed. We have done

some things for the Indians. We have improved their standard of living, and opened the doors of opportunity for their integration. In 1951 we were educating 26,000 Indian children, and by 1961 the number had risen to 43,000. That is making progress. We are attempting to do something for these people in order to bring them into the Canadian stream.

We have integrated immigrants—they have been a great boon to us, and in my opinion we can never have too many—by "Unity through Diversity". To all of our people we can truthfully say, as we can say to the Freedomites, we have no cultural imperialism to impose upon them. We welcome contributions from all people.

The Freedomites find few people to speak up for them. In all my years I recall very few articles in the press or in magazines that were in the least way sympathetic to them. No group can be that bad. The views of these people cannot be all bad, nor our views all good. It is time for us to find out what makes them do what they do. Why will they not fit into the Canadian mosaic?

Pictures of the Freedomite trek have been sent around the world. They have issued a pamphlet which no doubt has currency, and which needs some reply. It reads as follows:

> We are going where our destiny lies, with our fathers, husbands, brothers and sons at Buchenwald.

That is the term they use. They then go on to say:

> Now we, the mothers, wives, children, the aged are going there to complete the transplanting. Why we the children follow in line with our fathers and mothers? Because we fear we will be taken again from our parents and will undergo again the same experience, cold hunger and separation as we have went through in the New Denver Dormitory.

The statement continues:

> You consider us third-class citizens, not worthy of having homes or land, of having a family and our own way of lives, of having children and bringing them up satisfactorily according to our religious convictions. You wish to solve our problem with the complete liquidation of our group. If that is your true desire, good. Do with us as you wish. Do with our bodies as you think necessary—soap, fertilizer, handbags, lampshades and bind your books with our hides.

One would think we were talking about Russia or Nazi Germany. Instead of that, these people are talking about Canada in that extravagant language. When that statement receives a certain amount of publicity, it will have the effect of blackening our good name. It is valuable propaganda for our enemies and may well be misunderstood in the newly-developing countries. If we do nothing, things may get much worse. This we should not permit.

I have already said that what I have read in the papers over the years has not made pleasant reading, nor has it been such, I suspect, as to instil in Canadians generally any sense of self-satisfaction or well-being. If most Canadians are like myself, they are, to say the least, uncomfortable about the situation.

The problem certainly has federal and provincial, as well as national and international, implications. So long as there is overt resistance to civil authority, attended by continuing outbreaks of burning, dynamiting and exhibitions of nudity, the attention of the country, and indeed of the international community, must be drawn to the fact that our national house is not in order or that, at any rate, it houses some pretty unruly tenants.

Although the problem appears to be centered for the time being in British Columbia, and particularly in the Kootenay district, its manifestations have been felt across Canada. In no sense can the problem be dismissed from the minds of the rest of us on the basis that it is exclusively the problem of British Columbia. Indeed, at least in my view, the problem has been one for all of Canada from the day on which the immigration authorities here in Ottawa granted the Doukhobors entry into Canada—the promised land!

There has been, it is true, some investigations of the Doukhobor problem at the provincial level: consultative committees, for instance, have been set up from time to time by the Government of the Province of British Columbia, which in the recent past has been the area most directly affected. I have indicated that there was one such committee in 1952. However, so far as I am aware, the problem of the Doukhobors which, as I have said, touches and concerns the federal authorities as well as more than one provincial authority, has not been investigated by any independent, quasi-judicial tribunal which is national in character, since the royal commission of 1912, and that was fifty years ago.

Accordingly, if my motion carries, the Senate itself will establish a special committee to investigate and report upon the Doukhobor problem in Canada.

Honourable senators, in the motion I have put before you I have deliberately focussed attention on the Sons of Freedom, the most radical sect among the Doukhobors, but I have not limited the investigation to the Sons

of Freedom. On the contrary, the investigation extends to "any problem related thereto". I suggest that it would not be possible or practical to restrict the investigation. The country is entitled to a study of the problem in its entirety and within its complete context. We know, for example, that there has been a considerable degree of assimilation in so far as the majority of Doukhobors are concerned. We should have the fullest information about this assimilation, particularly with respect to the factors which have aided or fostered the events which have enabled thousands of Doukhobors to live at peace both with their neighbours and with constituted authority. Perhaps there are lessons to be learned, and perhaps not. We should know whether there are or are not.

Through an historical approach we could discover whether the overall problem may be expected ultimately to resolve itself or, at any rate, what sort of approach would be most calculated to expedite such a resolution. We have to ask ourselves quite honestly and firmly: have we approached the problem with intelligence and understanding? Have we dealt harshly or unfairly with the Doukhobors? Have we been treating symptoms or have we searched, as good diagnosticians should, for the root cause of the ailment, if such it be? Or, in a lawyer's phrase, have we sought out the mischief before applying the remedy?

The committee would, I should think, have to seek out the philosophical, spiritual and religious bases for the continued refusal of the more radical Doukhobors to obey the law or, as they might put it, to "accede to the demands of the secular authority". There might have to be a massive reappraisal of what is really meant by "freedom of religion" or "freedom of worship".

In making this motion, I would hope that its adoption would be welcomed by all those immediately concerned: by the federal and provincial authorities who are faced with the problem from day to day, by the thousands of Doukhobors who have found safe and happy havens in Canada, and by those who have not.

The investigation would indeed be abortive if it were regarded by the Sons of Freedom themselves as just another attempt by constituted authority to beat them down. The object should be, and I am sure it would be, to acquire a real understanding of their problems with a view to helping them to find a solution.

Honourable senators, it has been well said that the deeper the cut the longer it takes to heal. The problems with which the committee must deal go back a long way in Canadian history, and beyond that into the Caucasus, and beyond that again into the Crimea, back to Peter Veregin, the Elder, and to Tolstoy himself.

It is interesting to note that the novel *Resurrection* was written by Tolstoy in defence of the Doukhobors. He assigned part of the royalties to the Doukhobors, and some of that money was used to bring them to this country. There cannot be any glib or sudden panacea or cure-all for something so deep-rooted, nor should the Senate committee be expected to provide one. If it is necessary for the committee to continue its work beyond the present session, so be it.

It may be that some honourable senators will feel that we should have a joint committee with the other place. I would welcome that. Perhaps some arrangements could be made to have provincial representatives, as well as Freedomites and orthodox Doukhobors, as observers and consultants. I welcome your views on this very perplexing problem. I hope this resolution will be thoroughly debated and, in the end, accepted.

In the face of all that has happened in the past sixty years, we are in honour bound to try our hand at finding a solution. The problem involves directly only a small portion of the Canadian people, but we are all involved because the question of liberty is at stake.

The district of Kent passed an emergency bylaw that prevents the Freedomites from entering their area, and the police have put up a roadblock. I for one do not intend to put any roadblocks in their way. I am not going to say any more about that, although I had some harsh things to say about the bylaw. The matter is now before the courts, and I think it would be improper for me to make any further comment.

Honourable senators, I think the Senate is well suited to conduct such an inquiry as is proposed. I say this despite my brief experience in the Senate but knowing something of its long history. There could be no question of the independence or fairmindedness of such a committee. It would have no axe to grind. It would not be a committee of the Government seeking ways and means of thwarting the legitimate aspirations of a group of Canadian citizens.

The Senate has a distinguished history in the field of human rights and fundamental freedoms. Here I bow to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) who was responsible for conducting investigations in other years before we had our Bill of Rights. If this motion passes, the Senate will have a further opportunity to add distinction to its long record in this regard.

I ask honourable members not only to discuss this problem in the interests of Canada, but also, in the end, to support the motion, so that we can contribute something constructive to this most perplexing problem.

On motion of Hon. Mr. Macdonald (Cape Breton), debate adjourned.

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. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Norman P. Lambert: Honourable senators, already the lively sound of words from another corridor of this building is beginning to resound in our midst, and before its echoes completely envelop this chamber, I am desirous of taking early advantage of the debate on the address in reply to the Speech from the Throne to share at least in some of the amenities which were so adequately and appropriately expressed in the early days of the session last week.

I should like, Sir, to address you with great respect and with warm felicitations and best wishes on occupying the Chair as Speaker of the Senate. It is an appointment of which I am sure we all approve, coming as it does to one who has given such full measure of service to this country, both within and outside the halls of Parliament.

To my friend the new Leader of the Government (Hon. Mr. Brooks) I also proffer my sincerest congratulations, for he too has contributed a full measure of service.

To the mover (Hon. Mr. Haig) and the seconder (Hon. Mr. Fournier, Madawaska-Restigouche) of the motion for an address in reply to the Speech from the Throne, I should also like to tender congratulations for their graceful and appropriate maiden efforts in this chamber.

Regarding the other recently-appointed members of the Senate, I should like particularly to refer to those whose designations are connected with my own province of Ontario and with this capital city of Ottawa. As they were presented to us in this chamber on the first day of the session I was reminded of another occasion, in 1956, when the circumstances of seating were much different from what they are today. The late Senator John Hackett, who was appointed at that time, took the opportunity while the Speech from the Throne was being debated to acknowledge the honour that had been conferred upon him in moving the address. During the course of his remarks he said:

> It is not often that the flowers of sentiment are found to bud and bloom in the thorny paths of politics.

It occurred to me that possibly these words applied to the experience of more than one member of this chamber in connection with his appointment. Possibly, too, they apply to associations which have long antedated and enveloped the political scene in which later the role of an actor had become a reality.

This I can say with all truth has been my own experience in connection with at least two of the members whom I have referred to as coming from the province of Ontario. One of these originally came from the far-flung shores of Quebec but has spent the last fifty years in the chosen profession which I had the privilege of sharing at one time, that of journalism. His distinguished position in that respect has been characterized, as one might describe it, the status of a double first—proficiency and appeal in both written and spoken word; and I think he has added to and extended widely the interest of this nation in the public affairs of the country in which he has been an active participant for that length of time.

My associations with another old friend, the distinguished senator from Gormley (Hon. Mr. McCutcheon) have not been so intimate, but because of his earlier background his career has been a source of real interest and pride to me. I refer with pleasure to the fact that his forebear was a distinguished teacher in the high school in the area where I was brought up in western Ontario. Not only was he a good teacher of mathematics, but he also had a most salutary and wholesome influence upon the teenagers of my generation who sat under him. For that reason I feel the new senator comes here, not as a great financial pundit from Bay street so much as one whose record already has shown an authentic desire and impulse to be of some public use to this country. His achievements in that connection are well known to those who have had any awareness of his activities during the past twenty years, and I fully expect that whatever may be in store for him as the head of a Department of Government he will, because of his practical wisdom and experience, give this country valuable service.

To those other new senators from my own province of Ontario, I extend my warmest good wishes and compliments on their appointments to this chamber.

To round out these introductory remarks, for full measure I should like to draw attention to the fact that this session marks the beginning of the twenty-fifth year of membership in this Senate for two of my colleagues on this side of the house. I refer to the honourable senator from Inkerman (Hon. Mr. Hugessen) and to my friend, who is absent today, the honourable senator from Vancouver South (Hon. Mr. Farris). Both these gentlemen were presented here and entered this chamber in 1937. Their contributions to the Senate debates and the work of our committees, both in form and in substance, have been a credit to Parliament and comparable, I submit, to those recorded in any other democratic assembly where good language is spoken.

The Throne Speech, which is now before us, is a rather remarkable assortment of some fifty closed packages in paragraph form. I will not attempt to review them all at this time. Whatever legislation may emerge from them, we shall have the opportunity to examine in due course.

At this time, however, I would like briefly to say a few words about two features of the speech. First, there is a reference to a prospective bill concerning the Senate. That bill has now come to us in advance of its presentation in the other place and is on our files. Its content is the same as that prepared for consideration last session but which the Government decided to withdraw before Parliament was dissolved.

During the election campaign the issue of Senate reform did not seem to receive much attention from any of the leaders or competing candidates. Certainly, it cannot be said that the Government which has assumed office has any mandate on this question from the Canadian electorate. Apart from the irregular constitutional procedure which some people feel quite seriously attaches to this proposed legislation, I maintain that instead of a measure of Senate reform being presented to Parliament this session, there should be one dealing with parliamentary representation in the House of Commons.

The principle of representation by population, which is supposed to underlie our system of government, is being flagrantly ignored in many of the growing electoral districts of this country. This condition is not new. It has been emphasized periodically over the years in connection with the redistribution and adjustment of the electorate in new areas. Many examples of this condition can be cited. The one outstanding case which occurs to me is that of the young member of Parliament for York-Scarborough. This constituency has a population of some 200,000 people and happens to be the most extensive and most populated constituency in Canada. One might compare it, for example, with other areas less extensive and smaller in population, where representation both in the Senate and the House of Commons is out of all proportion to the number of electors involved. I mention this, without invidious implication of any kind, to emphasize the distorted basis of representation which exists today in the elective branch of Parliament.

Before I proceed to deal with the Senate in this connection, I should like to draw attention to a point which has already been referred to by my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) in his report of the Divorce Committee. I refer to the humiliating spectacle which we all witnessed at the end of the last session when some 325 divorce bills, which had passed logically and normally through the machinery of the Senate Divorce Committee, were held up in the other place in the last three days in defiance of pleas of the Prime Minister of Canada to have them passed.

If a reform of some kind in the procedure of the House of Commons is necessary to obviate that sort of thing, then I suggest very strongly that attention be concentrated in that quarter rather than in idle suggestions of reform concerning things that do not matter in this house.

In so far as the Senate is concerned, I submit, an adequate measure of reform should not be pointedly confined to the provision for an age limit. Methods of appointment and term of office—renewal of which might be based, as it is in Eire for example, upon attendance and performance in connection with its work—should come within the scope of any reform measure.

Some enlightening discussion of this subject may be found in Senate *Hansard* of April and June 1950, and February 1951. A resolution dealing with proposed reform of the Senate, introduced early in the session of 1951, was keenly debated here. The opinion of the Senate expressed at that time did not approve of the resolution in question, but held that this subject, which involved amendment to the B.N.A. Act, should be of equal concern to the federal Parliament as a whole and the governments and legislatures of the provinces, and that only with the joint approval of those bodies should any change be made.

Summarizing this reference to parliamentary reform, I believe that legislation affecting the machinery of Parliament, as it applies to both houses, is overdue. The House of Commons has become a distortion of the principle of representation by population; and the original purpose of this upper chamber, to safeguard provincial rights and the interests

of minorities, without which Confederation in 1867 would have been impossible, should now be amplified and more clearly defined in the light of experience in the past years and the needs of the present.

One needs to say little more on this subject at this time, but the importance of doing all that is possible here to encourage an increasingly active interest and participation of the Canadian electorate in the operations of Parliament cannot be stressed too strongly.

In this connection may I quote from a speech by the late Senator Meighen while he was the Leader of the Government in this chamber. These are his words, as embodied in the Senate records:

> Some time ago a prominent and popular Canadian remarked to me: "I am thankful in these days for the Senate! No matter what wild and extreme radicalism may sweep the country, the Senate will stand firm; it will save the ship".

He then continued:

> The forces of wild and extreme radicalism must be met right out among the ranks of our people, in their houses and meeting places—there the power of reason and common sense must be applied, the lesson of long experience must be taught, or nothing will save the ship. Surely we have learned from tragedies in other lands that the tide of a mad, militant and persistent majority never can be stemmed. It must not become a majority. What the Senate can do is to devote its energy within its own sphere to making laws practical and sensible, to give the best possible chance to workers and especially to the humblest workers to encourage the upward climber and to attach a wholesome penalty to voluntary idleness, to remember always that there is nothing so vital to the common weal as security to life and property, and to offer no countenance to dishonesty and confiscation.

The second selection from the gracious speech that I had intended to deal with at some length has to do with references to the European Common Market and commonwealth trade. However, I have decided to defer much of what might be said on this subject until a definite conclusion is reached to all the discussions that are now going on abroad. Unless the dark clouds that now hover over Berlin can be dissipated and the danger of another war averted, all the official talk and argument about the European Common Market and a new federation of western Europe could be wiped out for an indefinite period, and possibly forever. If that dire development does not intervene, a complete rearrangement of western Europe, including Great Britain, as envisaged in the Treaty of Rome adopted some seven years ago, would seem to be assured.

There are two important aspects to this Common Market movement: one relates vitally to the trade of the world; and the other, which has been sponsored mainly by Mr. Spaak of Belgium and Mr. van Zeeland of Holland, has been for a federation of Europe to secure protection for those countries from the intervention and approach of Russia from the east. I think the outcome of these discussions that are now taking place in Brussels will be of vital importance to us all. Their outcome will affect the economy, not only of this country and the United States but of every other part of the world as well. The economic effects of such a possibility have only lately seemed to loom up as a threat to Canada and the United States. But it is interesting to note that in 1959, in this chamber, the far-reaching competitive aspect of this development in Europe was discussed in connection with a resolution introduced by our honourable colleague, the senator from Shelburne (Hon. Mr. Robertson). I regret that ill health prevents his being here now, so that he might have the satisfaction of seeing that the notice he gave then has materialized into real concern on the part of the governments of Canada and the United States. I am not aware that much of what was publicly stated in this chamber at that time was seriously heeded either in the other house or outside by the Canadian community as a whole. The reports of *Hansard* in March, 1959, however, do show that members of this body did explore the subject then.

For the time being I feel that one is justified in awaiting rather than anticipating the contents of this modern Pandora's box which has been presented to us in the form of the Speech from the Throne.

Hon. M. Wallace McCutcheon: Honourable senators, first may I follow the gracious custom which has been followed by my predecessors in speaking on this address, and extend to you, Mr. Speaker, my sincere congratulations on your appointment to the high office which you now hold. I would also extend my congratulations to my leader, the honourable senator from Royal (Hon. Mr. Brooks). Anyone who heard his address last night on the Throne Speech debate would have no doubts that he will uphold the traditions of the Leader of the Government in this chamber.

I would also like to extend my congratulations to the mover and seconder of the address in reply to the Speech from the Throne and to compliment them, particularly on their facility in both languages, a facility which, unfortunately, I do not possess.

I cannot proceed without extending my sincere thanks to my old friend, the senator from Ottawa (Hon. Mr. Lambert), for the more than kindly remarks that he made this afternoon concerning myself and my father. Having said that, I would like to thank all honourable senators on both sides of this chamber who have been most kind in welcoming me into this chamber.

I was sorry that I was unable to be here during the entire address of the Leader of the Opposition (Hon. Mr. Macdonald, Brantford). If he were here I would personally apologize to him. I have read his address with interest. I also want to thank him for the references that he made therein to me. I would not want to feel, however, that the Leader of the Opposition, or any honourable senator opposite, was going to suffer from any confusion or worry by having to decide as to whom he should address questions of the Government in this house. Such questions will, of course, be addressed to the Leader of the Government (Hon. Mr. Brooks).

In his opening remarks the Leader of the Opposition (Hon. Mr. Macdonald, Brantford), and I assume he spoke for all honourable senators in opposition, quoted Senator Dandurand:

> We stand above the sharp divisions of party that exist in the other chamber.

He might also have quoted from another address that Senator Dandurand made in this chamber. On March 8, 1934, in answer to a question from a colleague in the cabinet as to why the Senate was not busy, and upon the colleague having said, "Why, we have already sent you half a dozen bills," Senator Dandurand replied:

> Yes, but whereas in discussing those bills in the House of Commons you for the most part address yourselves to the electors, we address ourselves to the question, and it is a much shorter procedure.

Now I must confess that in the speech of the Leader of the Opposition, and I think in the speech of the honourable senator from Ottawa (Hon. Mr. Lambert), there was some tendency, contrary to Senator Dandurand's admonition, to direct remarks to the electorate rather than to the question.

This afternoon I propose to deal with some of the matters that have been raised, and which I can only assume represent the considered views of the Opposition in this house. I do not intend to deal with the matters raised in the Speech from the Throne, except incidentally. The Leader of the Government (Hon. Mr. Brooks), when he had finished speaking last evening, left almost no ground uncovered. I would interject, however, that the Speech from the Throne, in addition to referring to legislation respecting the Senate that will be introduced, goes on to say:

> To ensure that the redistribution of electoral districts is made objectively and impartially, you will be asked to approve a bill to establish an independent commission to recommend redistribution.

I would hope if such legislation were passed that any such commission would have regard to the important principles which the senator from Ottawa (Hon. Mr. Lambert) mentioned. He also referred to reform of the House of Commons. I do not presume to speak for the Government in this chamber, but I think I can assure him that the Prime Minister would be fully prepared, if the constitutional means were available, to reform that corner of the House of Commons which prevented the numerous bills to which he referred from going through last year.

Now it is not my intention to deal with any sterile statistics to attempt to determine how far have the mighty fallen or how high have the fallen been raised, but if the Government was, as the honourable Leader of the Opposition suggests, defeated and I draw to the attention of the Opposition, that it is still the Government—certainly the Liberal party was not elected.

Now the Leader of the Opposition, having referred to the results of the last election, and having given some statistical details, complains about the conduct of the Prime Minister in going to the Prime Ministers' Conference without authority from Parliament. He says:

> Not that I object to his going to London—I want to make that clear—but, being the head of a minority government, the least he could have done was call Parliament and receive a vote of confidence.

I suggest that if the Prime Minister had done that it might have been necessary to postpone the Prime Ministers' Conference in order to assure his attendance, if what we have seen during the past week in the other place is any indication of what might have taken place somewhat earlier.

The honourable leader then proceeds to quote some rather stale references from the press, one of January 10, one of April 24, and another of May 15, as to the position which the Prime Minister should have taken at the conference. I now ask honourable senators what position they would have taken at the conference had they been in the position of the Prime Minister of Canada, representing the interests of all Canadians.

It was Prime Minister Menzies of Australia who said:

> We were asked for our views, and those views were given calmly, quietly and without rancour in any way.

He was not referring merely to his own expression of views. At a subsequent interview he said:

> What was I to do—give them a blank cheque?

I can just imagine what my honourable friends would have said if the Prime Minister of Canada had done that.

The communique that was issued—I have it here but I shall not take the time to read it—bears out the position the Prime Minister took. He was called to the conference to be told what had so far been accomplished at Brussels—unfortunately, very little had been accomplished at that date—and to present the views of Canada on that subject. He presented, as Mr. Macmillan said a few days ago, the doubts and the uncertainties that he had, and that we have, as to the outcome both politically and commercially.

I say, honourable senators, that the Prime Minister could have done nothing less than what he did. The suggestion has been made that he ganged up on the United Kingdom. No suggestion could be more unfounded. I have in my hands a clipping from the air mail edition of the London *Times* of yesterday. This is a report from the *Times* Common Market correspondent and is datelined Brussels, October 8. It is a report on Mr. Heath's first day at Brussels after he had made the circuit of the other members of the Six:

> Replying for the Six, Mr. H. van Houten, the Dutch State Secretary for Foreign Affairs, who was in the chair, said that the Commonwealth conference official statement had been of great value in showing Britain's interest in Europe and that Commonwealth countries took a positive attitude to European development, though they clearly had anxieties.

This report then goes on to suggest that those fears are not too great.

I simply repeat that in my opinion there was no other stand which the Prime Minister could take. He would have been completely derelict in his duty had he gone to London and said: "Well, now, whatever you do is perfectly satisfactory to us". What he did was to make perfectly clear that the decision was for the United Kingdom. He also did what he had been asked to do, namely, to present our views upon how far the essential interests of the Commonwealth had been safeguarded, because, after all, that was the basis upon which we were told negotiations were being undertaken.

However, enough of that. There are some suggestions that Canada has lost face in the eyes of the world, that people no longer have confidence in us. The honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) said:

> ...we have lost a great deal of the confidence of those, both at home and abroad, who in the past have done so much to assist us in extending and developing our economy.

The honourable senator then made reference to certain investment trusts controlled in the United States which he asserts have recently shown their distrust of Canada by selling securities. I think a careful analysis of the purchases and sales by those trusts over a period of years—and all of those statements are available—would indicate that on occasion they have sold below the top of the market, and on occasion they have not bought at the bottom of the market. I do not propose to give any specific examples in that regard, although specific examples are available.

What the Scudder Fund does should not be taken in this chamber as any indication of the confidence that United States investors have in Canada. I think I can cite—and I propose to do so—a much better example.

At about the middle of September the Government of Canada sold long-term bonds to the value of $250 million U.S. by private placement to seven insurance companies in the United States. This was not borrowing money from the International Monetary Fund or from the World Bank, or getting a standby from the Export-Import Bank. This was a sale to seasoned and sophisticated investors, and seven of them took Canadian bonds to the extent of $250 million upon which the Canadian Government will pay five per cent interest. I interject that that is a rate of interest at which the Government of Canada cannot borrow in Canada. The cost to the Government is even lower than appears at first glance, because every time $5 is paid out in interest on those bonds the Government of Canada withholds 75 cents under the 15 per cent withholding tax. In effect, the Canadian Government has gone to the New York market within the last month and borrowed $250 million at a net cost of 4¼ per cent.

Hon. Mr. Roebuck: Is that American money?

Hon. Mr. McCutcheon: American money.

Hon. Mr. Lambert: Would the honourable senator inform us of the purpose of that borrowing of $250 million?

Hon. Mr. McCutcheon: The Minister of Finance announced that the $250 million was being borrowed to strengthen our foreign reserves.

Hon. Mr. Lambert: That is in addition to the borrowing from the International Monetary Fund?

Hon. Mr. McCutcheon: The minister announced that concurrently with that borrowing, certain standby credits had been cancelled at his request. The fact is that this is a much better test of the confidence investors have in Canada than some of the other examples that have been cited to us.

The honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) went on to say:

> I am not going to discuss the causes that brought about, nor the purposes of, the so-called austerity measures embarked upon by the Government and announced, not to Parliament, but in a television broadcast.

That is one difference from Mr. Abbott: we could hear him but could not see him; whereas, we could both see and hear the Prime Minister. The Leader of the Opposition continued:

> The Government may have "concealed nothing and shaded nothing", as the Prime Minister said on June 14, but if that is so then the next ten days brought about quite a revelation. . . . I do not accuse anyone of saying anything that was not true.

And the Leader has chosen his words very carefully.

> Probably the Prime Minister had been misinformed, or had failed to heed the advice of his officials . . .

and so on.

Now, the Leader of the Opposition in this chamber, as one would expect, uses much more guarded and restrained language than has been used in other places, both inside and outside this structure.

I do not intend to traverse this ground. It has been traversed already by the Prime Minister, by the Minister of Finance, and by the Minister of Justice. The figures have been placed on the record. However, I feel that there are many on both sides of this chamber who will agree with me that it is very difficult, in circumstances such as Canada went through in the first five and a half months of this year, at any particular point to place one's finger and say "Well, I guess this is going too far. I guess this will not do. To correct this we will have to take special steps." I would go further and say that until you reach that point, the worst thing that you can do is to talk about it at all.

I have no sympathy for those people—and I am not referring to members of the other place or members of this house—who have gone around using reckless language about this country being bankrupt in the past few months.

I merely ask, at what time in 1947 did Mr. Abbott and Mr. King determine that there was a crisis, when our reserves fell by 60 per cent in ten and a half months? Did they go on the first of October and say to the people of Canada: "This is a dreadful situation; we are afraid we may have to do something about it." Then at the end of October, did they say: "The situation has not improved. It is getting a little worse; I guess we will have to do something very soon." There would have been no foreign exchange to argue about if they had done that. You all know what Mr. Abbott did at that time: he went to the radio—there was no television available then—and announced the crisis and the steps which he proposed to take. Those steps went further in many cases than any steps which the present Government has taken.

In referring to the Speech from the Throne the Leader of the Opposition referred with some approval to the paragraph which forecast fiscal measures to be placed before Parliament and to new budget measures to be introduced. The leader went on to say:

> Honourable senators, those are fine words—indeed, a worthy endeavour—but what evidence is there of any action on the part of the Government to give effect to those fine words?

Surely this question answers itself. Surely the Throne Speech referred to fiscal measures and budgetary measures which will be announced in a budget in due course. The Leader of the Opposition surely did not expect that anyone on the Government side of either house would make these announcements in advance of the Minister of Finance. The Leader of the Opposition then went on to say he agreed that criticism must be positive and constructive. He made six suggestions on which I should like to comment briefly. His first suggestion was:

> First let us bend every effort toward the expansion of our exports, not only in our primary industries, but also in the field of our secondary industries...

I do not intend to take up the time of honourable senators this afternoon in quoting statistics. I suggest the evidence is that what

he suggests is being done, that we are meeting with success in that field, and that our efforts will be further rewarded. The Leader of the Opposition continues:

> Secondly: Let us recognize the existence of a European Common Market.

Does he suggest that the Government is ignoring the existence of the European Common Market? Does he suggest that Canadian businessmen are ignoring its existence? I may say, without quoting statistics, that our exports to the European Common Market have been increasing substantially, increasing at a much faster rate than our exports to commonwealth countries, and at a much faster rate than to any country except the United States of America.

The Leader of the Opposition goes on to say:

> Thirdly: Let us recognize the significant step forward which was recently taken by the United States, ...

He is referring to the Kennedy proposal. The Prime Minister and the Minister of Finance have both stated already how we welcome the passage of that bill and how we look with anticipation to the good results which we feel may flow from the so-called Kennedy round of trade negotiations, when it gets under way.

Then the Leader of the Opposition goes on to put forward something which was originally proposed by the Honourable Mr. Pearson. The leader quotes it with approval:

> Fourthly: Let us ... give serious and urgent consideration to the institution of an Atlantic Community. ... This would bring together Britain, the existing Common Market, other European countries on this side of the Iron Curtain, the United States, Canada and any affected nations who may care to join us as an expanding community.

The Prime Minister has indicated that this country is prepared and always has been prepared, as it has indicated by its actions ever since the war, to enter into multilateral trade negotiations. But the suggestion made here—and it is not the first time that the Honourable Mr. Pearson has been quoted as having made it—is really calling for a common market for the Atlantic community.

I wish to read from a publication of the Canadian Trade Committee, entitled *The Impact of European Integration on Canada*, by L. D. Wilgress. This was approved by a large number of business, professional and labour men knowledgeable on this subject. On page 39, under *Alternatives for Canada*, the second alternative he gives is "The Atlantic approach," which reads as follows:

> An Atlantic free trade area is not feasible because it presumes United States association with the Community. The United States, as the leader of the free world, could not enter a trading bloc if this involved discriminating against other parts of the free world, such as the Latin American countries and Japan. President Kennedy made this plain in the speech he delivered in December 1961. Moreover, this approach is not one that commends itself to the European Economic Community, at least at this time.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. McCutcheon: So I suggest that the fourth proposal of the Leader of the Opposition is not one which we can look at seriously at the moment.

His fifth suggestion is that we "acknowledge the fact that our most accessible market lies in the land of our nearest neighbour, the United States, . . ." I suggest we already know that that is the situation. We would not be concerned with the discussions that are now going on before the tariff board in the United States about the importation of softwood lumber into that country if we did not understand which side our bread is buttered on in that connection.

His sixth suggestion is:

> Let us recognize, in this day of agricultural surpluses and food deficiencies, that one of the main bulwarks of our battle against communist aggression lies in accelerating the standard of living in depressed parts of the world . . .

I suggest, again, that we have done exactly that. May I read a paragraph in the Speech from the Throne, which says:

> Canadians have noted with satisfaction the establishment by the United Nations and the Food and Agriculture Organization, of a World Food Program based on a proposal put forward by my ministers. You will be asked to authorize a Canadian contribution to this program.

So much for the specific suggestions of the Leader of the Opposition. I have gone over them in detail, for in another place the Leader of the Liberal party made some different suggestions. He laid down four main steps that the Liberal government would take, which I might paraphrase: first, he would provide a great fund for municipal works, so that municipalities will be able to come to the fund for projects which they cannot finance at reasonable rates. Possibly my friends will tell me what is a reasonable rate. He would provide additional Central Mortgage and Housing Corporation funds for construction

and development work. Of course, such funds for that purpose are available in some degree today. He would extend the provisions of the Industrial Development Bank to establish industries in depressed areas, and inducements to develop in depressed areas could be by way of tax incentives, with government making capital available in a co-operative enterprise with industry—whatever that may mean.

The third point is that he would extend family allowances to certain classes of children from 16 to 21 years of age. The fourth point is the provision of medical services without charge to a substantial body of the population.

Honourable senators, I think the significant thing is that none of those points were touched upon by the Leader of the Opposition in this house, and I wonder whether my friends opposite are not somewhat disturbed by what they hear coming from the leader of their party in the other place.

I have in front of me a clipping from the Toronto *Daily Star* of Tuesday, October 9, and I shall just paraphrase an editorial on that page. It is entitled, "Where Will the Money Come From?" There can be no question that the program outlined would be extremely expensive. The cost of the Ontario hospital insurance scheme was estimated at $200 million for the current year, including about $120 million in taxes. A provincial medical plan would cost as much, and the whole bill could not be carried by the subscribers' premiums. Other projects—low-cost housing, free university tuition, assistance to farmers in raising their incomes, help to municipalities with their transit problems—would likewise cost the provincial treasury many millions of dollars. How would the money be raised? By increasing existing provincial taxes, by imposing new ones, by income from government-operated monopolies, or by some other method? The platform is completely silent on this question.

Hon. Mr. Croll: But he was not discussing the Liberals.

Hon. Mr. McCutcheon: No. I agree he was not discussing the Liberals, but he was discussing a platform like that of the Liberals in another place; and I suggest the comments that have been made on this platform—which was the platform of the N.D.P., as produced by the Ontario division at its convention last week, could be made about the platform that was enunciated by Mr. Pearson in another place a week ago.

Hon. Mr. Roebuck: Why not apply it to the Prime Minister's proposals as well?

Hon. Mr. McCutcheon: Well, I have not seen any of the Prime Minister's proposals that are going to involve the sums of money, from what source I know not, which are involved by some of the other proposals. In any event, being the Prime Minister he will have to put forward his proposals and the cost will then be assessed; whereas, the Leader of the Opposition is in the more fortunate position, as of course is the leader of the N.D.P., in that he can put forward the proposals but it remains for someone else to ask where will the money come from.

The Leader of the Government (Hon. Mr. Brooks) touched on another point yesterday. I do not want to traverse the same ground, but I think it is worth underlining. The Leader of the Opposition (Hon. Mr. Macdonald, Brantford), at the conclusion of his speech said:

> To use the words of Sir John A. Macdonald, it is our duty to take a "sober second look" at all government legislation.

Then the leader quoted from a speech he made in 1957, and he concluded by making this, it seemed to me, very remarkable statement:

> In this regard minority governments cast an added onus on the Senate, and we must remain more alert and conscious of our duties than of our prerogatives.

Now, if I can take anything from that statement, it means that because the Conservative party in the House of Commons has not a majority of members, any legislation that comes from that house to this chamber must be looked at more carefully than normally. The exact words were, "there is an added onus on the Senate because there is a minority government".

Honourable senators, there are countries where minority governments have been the rule rather than the exception. I trust that this situation will not arise in this country, but this is not the first time that we have had a minority government and it may well not be the last time. The point I want to make is that there is no such a thing as minority legislation. The legislation that comes to this chamber from the House of Commons will be passed by a majority of the persons voting on that legislation, and that legislation deserves no more or no less attention coming from the present Parliament than coming

from any of the previous twenty-four Parliaments. There is no added onus on the Senate. The obligation of the Senate, to revert to the quotation of Senator Dandurand, is to speak to the question and not to the electorate.

The fact that their friends in another place are attempting to move to the left of the party concerning which this editorial was written will not, I am sure, influence my friends on the opposite side of this chamber in maintaining its high traditions.

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

The Senate adjourned until tomorrow at 3 p.m.

27511-5—5½

THE SENATE

Thursday, October 11, 1962

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

Prayers.

ADJOURNMENT

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, October 16, 1962, at 8 o'clock in the evening.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Donald Cameron: Honourable senators, first of all may I join with those who have preceded me to pay my respects and compliments to you, Mr. Speaker, and to say how happy we are that you have been elevated to this very important position. We recognize this as a fitting recognition of your long years of service in the other place and in this chamber.

May I at the same time express to the new Leader of the Government (Hon. Mr. Brooks) my felicitations on his elevation to that position. We hope that he will enjoy his service in the new capacity.

I would also like to say a word to our friend, the senator from Rosetown (Hon. Mr. Aseltine), who with kindness and understanding over the years was particularly helpful to those of us who are relatively new in this chamber. I wish him many more years in the seat he occupies.

To those who are "new boys" in this house, may I also say that we welcome them, and I hope they will enjoy their experience here. We look forward to working with them.

Finally, may I offer my compliments to the mover (Hon. Mr. Haig) and the seconder (Hon. Mr. Fournier, Madawaska-Restigouche) of the address in reply to the Speech from the Throne. I would say they have made an excellent beginning.

Honourable senators, in speaking in this debate today, I want first to comment on some of the things that were in the Speech from the Throne and some that were not. By way of introduction, may I say that I read in the Victoria Daily *Times* of August 28 last a very thoughtful article, by that well-known Canadian writer, Bruce Hutchison, who was reviewing some passages from J. W. Dafoe's *Life of Laurier*, in which Dafoe referred to the delayed reaction to certain events as "subterranean currents in the life of a democracy." Dafoe had referred to the execution of Louis Riel as one of these, and to the conscription election of 1917 as "unnoted watersheds from which the currents flowed in the most surprising directions." I would commend this article to anyone who would take the time to read it because it has some rather pertinent observations on the current situation.

Hutchison went on to say that in the life of our democracy today,

> We are on just such a watershed and the currents escape our eyes—the subterranean currents of a democracy dissatisfied with all parties—as tiny trickles in the mountains become, a few miles further on, the Fraser and the Saskatchewan moving to separate oceans.
>
> If we cannot estimate the currents, the watershed itself is clear enough—the great issue facing us which the politicians try to blur.

And this, to their own advantage. This applies to all kinds of parties.

The article continues:

> Is the nation prepared to pay the price, accept the responsibilities and solve the problems of nationhood? Or will it follow the easy downhill grade that our fathers refused to follow in times much harder than these? Our party politics, in all their disorder, are important only as they reflect or, better still, as they lead us in the largest decisions of our history.

Using the Dafoe theme of delayed reaction to important historical events, such as the execution of Riel and the conscription election of 1917, Hutchison was drawing the conclusion that the two-party system in Canada might be undergoing some degree of disintegration, certainly some measure of fundamental change.

The fact that 1,900,000 electors cast their votes for the representatives of the New Democratic Party and the Social Credit Party lends some credence to the point Hutchison was making. It is true that the storm warnings are up for the traditional parties, and if they are to survive and retain their traditional hold on the allegiance of the Canadian electorate they must convince the average voter that they are prepared to seek some

new directions in the realm of trade, in taxation, in monetary and fiscal policy, and to set forth in clear and precise language what should be the goals of the Canadian people, and to spell out in some detail a number of alternative ways by which those goals might be achieved.

As I listened to the Speech from the Throne I had the uneasy feeling I had heard much of this before and that while some of the items listed as part of this session's bill of fare would be helpful if implemented, nevertheless here was no definition of objectives or goals for the nation, here were no new ideas and directions which would capture the imagination and spur the initiative of the Canadian nation. It is true there are some interesting possibilities and I shall select a few at random.

The item that intrigued me most and which I warmly welcome, is the proposal for establishing a National Economic Development Board to review and report upon the state of the economy and to recommend projects. If this idea is pursued with imagination it could be a significant development in Canadian history. However, I immediately wonder what relationship this board will have to the National Productivity Council, the Atlantic Development Board, and a number of others. Surely, the proposed National Economic Development Board and the National Productivity Council should be, if not amalgamated, at least so constituted as to work in the closest possible harmony. If these boards are to be effective I suggest that they will require long-range planning on a major scale—and "planning" has been a naughty word in some political circles for a long, long time. However, there are signs that even the Canadian Chamber of Commerce is beginning to recognize that our very survival as a successful economic entity will depend on some degree of planning, that the undirected, laissez-faire, free enterprise system may not be able to compete with new industrial powers which utilize a high degree of planning and centralization of production and trading techniques unless we have some co-ordinated plans of our own.

In case someone jumps to the conclusion that I favour a highly regimented and centralized economy, let me say at once, nothing could be further from the truth. What I would like to see in the Canadian economy is the maximum freedom for initiative and enterprise, consonant with the national welfare. But in a country as diverse as Canada, where there is such a diversity of interests by localities and regions, no program can be implemented without a careful analysis of all the factors involved and a study of the way such factors would affect the overall plan.

Another item in the Throne Speech involves the enlargement of the Industrial Development Bank. This, again, would seem to be a sound development and should help the bank to play a more important role than it has up to the present in encouraging industrial development, particularly in the area of small business.

The establishment of a national power grid has intriguing possibilities, and the export of power represents a new departure in government policy which I think should be welcomed.

The assistance for employers in meeting the impact of automation is another piece of legislation which is certainly coming not a moment too soon. We can only hope that the problem will be tackled with imagination and courage, because it is certainly one of the major problems on the horizon today.

Then there were in the Throne Speech less important considerations, such as a provision for more self-government for the Northwest Territories, and the division of the present territory into two territories. The suggestion has frequently been made that these two territories should ultimately become Canada's eleventh and twelfth provinces. Heaven forbid! It is bad enough and costly enough to have eleven governments in Canada now without creating the trappings and the overhead of two more. If it is desirable to provide for inhabitants of these territories a government which is closer to them, then why not attach these areas to the respective bordering provinces? But let us not set up any more provinces, at least not until Canada has a population of 100 million people. Perhaps we could afford to do it then.

The speech contained a suggestion about a Dominion-Provincial conference on "a national flag and other national symbols". While I would like to see agreement on a national flag and a national anthem, I think such a conference would be one more exercise in futility, with as much likelihood of agreement as we have had before. It is my understanding that there are hundreds of designs already on file somewhere in Ottawa. I hope many of them are better and more in keeping with the nation's dignity and aspirations than many samples I have had sent to me. As far as I am personally concerned, I do not see much wrong with the red ensign and the fleur-de-lis. Maybe the fleur-de-lis could be mounted on the red ensign in some suitable manner and thus satisfy the historic aspirations of our two major cultures. Agreement on a national anthem may be just as difficult as agreement on a national flag, but no one is going to be hurt much if we continue to use "O Canada" and "God Save the Queen" as we feel like it in different parts of Canada.

The speech also held out some unnamed promises under the section forecasting a new budget "to provide further solutions to long-term problems". This is the one we will all be watching with the greatest of interest, and we can only hope that the measures will be adequate for the occasion. Until such time as these "further solutions" are brought forward, I would like to make a number of observations on the Canadian economic and political scene, which I hope are relevant and which may serve to underline the Canadian position as I see it today.

At the present time Canada is a nation in search of itself—in search of an identity. The sense of unity and identity built up during the last war has gradually dissipated, until today we find a dissonance ringing through the land, with some Canadians unable to agree on a national flag, a national anthem or a defence policy; while others, with more enthusiasm than common sense, are threatening to secede from Confederation and set up the Republic of Quebec.

It came as a shock to westerners attending the Canadian Conference on Education in Montreal recently to hear the Minister of Youth for the province of Quebec say with all sincerity that Quebec was "the French national state, not only for Canada but for North America". The new wave of French Canadian nationalism differs from previous expressions of the same thing, because this time the people of French Canada are not blaming the English as much as they have in the past, but instead are blaming their secondary position in business and industry on themselves, on their inadequate educational preparation for participation in an industrial economy, and they are determined to do something about it. In the past three years there has been a revolution in Quebec education and a new, more soundly-based and vigorous French Canadian nationalism is one of the most significant facts of the Canadian political scene. No one takes seriously the extremists who talk of setting up a separate state, nor do the French take seriously the political sops such as bilingual cheques—and here let me say they should have these—and similar trivia, as an adequate recognition of French Canada's legitimate aspirations.

Canada is in a ferment. This is healthy and good, because for too long Canadians have suffered from an over-developed bump of complacency, lulled by the endless repetition of the theme that this was to be Canada's century. The constantly rising curve of unemployment which has increased from 2 per cent of the labor force in 1947 to 7 per cent in 1961, plus the decrease in the gross national product per capita from $1,481 in 1956 to an estimated $1,435 in 1961, plus an alarming increase in our national balance of payments deficit, all indicate that this will not be Canada's century unless we do something more vigorous about it than we have been doing in the past ten years.

That Canadians are becoming concerned is evidenced in many ways. There is more interest and more energetic development in the arts and humanities than at any time in the country's history. Five hundred Canadians a year are enabled, by Canada Council grants, to continue their studies in the arts and humanities in the finest centres of learning in the world. This means that in ten years, 5,000 Canadians will be injecting new life and vitality into our cultural bloodstream. This can be significant.

The appointment of seven royal commissions on education since 1945 is evidence of the people's discontent with the quality of Canadian education.

People are concerned with finding new answers and new directions which will enable Canadians to compete and hold their own as a nation at a time when the Canadian dream that this was a land of boundless opportunity has received some rude jolts, through recurring recessions and growing unemployment, and through the return of thousands of immigrants, who came to this country in high hopes, to the newly-exciting and prosperous lands of the Common Market and the more advanced civilizations of a new and revitalized Europe.

In their disillusion with complacency, Canadians have rightly turned their eyes on the one common denominator that makes them all akin from Newfoundland to British Columbia, the education of their children. How can we have a national identity and a sense of Canadian unity and purpose when we have not one but ten systems of education? How can we have a national system of education when a parochial provincialism says to our national government that it must have no part in shaping the foundations of a Canadian identity by participating with the provinces in developing a national program? How often in the field of educational dialectics have sections 91 and 92 of the British North America Act been used, either as an obstacle to progress or as an excuse for inaction?

Do Canadians want to have a national identity? Do they want a rich national culture that is vibrant and distinctive from the dull and stultifying caricature of Hollywood uniformity? Do they want something that is indigenous to our country, reflecting its rich ethnic origins, its diverse and spectacular regions, its moods and its people? If we do want this, then there is work to do that will

call for imagination and daring; it is the kind of challenge which should inspire Canadians to their greatest efforts.

Are Canadians adult enough in their thinking to face reality and realize that if we are to build a nation, not one of a paltry 18 million people but one of 75 to 100 million, we must have a national concept and a national program. And we cannot have a national program in these days of spiralling costs of education without the national resources of the federal Government being put behind those of the provinces. Are we so blind and so politically inept as to permit either a provincial parochialism or a negative sectarianism to frustrate and negate the evolving of a formula of co-operation between provincial governments who have the legal responsibility for education, but not the resources to pay for it at the secondary levels, and the federal Government which has the responsibility for the nation's progress and the resources to make it possible?

I am one of those who believe firmly that the Canadian people will respond magnificently to a challenge if it is put to them clearly and if, first, they can be made aware of what our national objectives or goals should be and if, secondly, they can be given some practical insight as to how those goals can be achieved. Let us consider what some of the national goals might be.

First, we must aim at a sense of nationhood and national unity. It is essential, if Canada is to grow to its full potential, that we develop a sense of nationhood which recognizes and cultivates the diversity of our ethnic, racial, and religious origins, and which seeks to cultivate the positive qualities of these in such a manner that our very diversities, once recognized and appreciated, can become orchestrated into one powerful Canadian symphony in which each plays its part proudly and contributes to the national unity on the basis of sympathy and understanding.

Secondly, we must aim at an adequate economic growth. In this respect Canada has not been doing too well. If we accept an average annual growth of the gross national product in the neighbourhood of two to three per cent in constant dollars as being an adequate rate, our performance over the last five years has fallen far short of what is necessary and desirable. According to figures prepared by Dr. S. H. Deeks of the Industrial Foundation on Education, the average gross national product in constant 1949 dollars was .87 per cent over the last five years. Quoting the late Dr. Gilbert Jackson, who had estimated an average annual growth rate in constant dollars of 1.75 per cent, Dr. Deeks states that if this rate had been attained over the last five years there would have been $2.5 billion more gross national product than was actually the case. Such a sum would have gone a long way towards providing the extra jobs and the extra taxes necessary to keep our economy in a healthy condition.

The third objective shoud be full employment. One of the most serious challenges and one of the most complicated problems facing Canada today is that of providing satisfactory employment opportunities for everyone willing and able to work. This should not be an impossible task for a country with the wealth of resources we have at our disposal, but if we are to achieve full employment certain prerequisite conditions must be met.

The first of these is a willingness and desire to work on the part of all of our people. Unfortunately, there are times when I get an uneasy feeling that some people are not too anxious to work, but this does not apply to the great majority.

The second prerequisite is the maintenance of a progressively expanding economy to provide necessary jobs. This is the responsibility of business, industry, and government.

The third prerequisite is the capacity to produce the quality of goods the market demands at a unit cost which is competitive with other countries.

The fourth prerequisite is a marketing policy in the field of international trade that is imaginative and aggressive. Here I would like to pay my respects to the Minister of Trade and Commerce, who has been working hard and has done some things which are in keeping with this kind of objective. In other words, he has brought energy, enthusiasm and a lot of drive to his work.

The fifth prerequisite is an educational program which will provide the trained manpower in science and technology at least equal to that being provided by other and competing countries. Here is an area where we are not doing as well as we might.

Sixthly, we need as a prerequisite a widely-expanded program of scientific research at both the basic and applied levels. In this respect the federal Government has been allocating increasing amounts of money for research in Canada. This has been done directly through the National Research Council and also through the National Research Council to Canadian universities. The total budget for the National Research Council in 1961-62 was just under $45 million. Of this amount $14.4 million was allocated to the universities to carry out actual studies. In addition, in the 1962-63 budget—and this is the first time it has happened—an amount of $1 million has been set aside for applied research in industry, to be carried out on a long-term basis by industrial firms in Canada. This is a good beginning, but I suggest we will

have to go much further in that direction. If it is accepted that scientific research is the basis of any prosperous economy today, we have a long way to go to keep up with our competitors.

The late Dr. Steacie, who was head of the National Research Council, in his last report, stated that Canada was spending .79 per cent of the gross national product on its research and development, while the United States spent 2.8 per cent, and the United Kingdom spent 2.11 per cent. Against this, the statement has been made by authoritative sources in the United States, on the basis of the best information available, that Russia is spending more money on basic research than all other countries in the world and certainly more than double the amount being spent in the United States. Nevertheless, the amount spent on research and development in the United States rose from $5 billion to $15 billion in the ten-year period from 1950 to 1960. The rapid increase in expenditures on scientific research and development in that country is reflected in the employment of scientists and engineers. The numbers rose from 223,000 in 1954 to 387,000 in 1960, representing an increase of 87 per cent in six years.

Honourable senators, in his speech yesterday the honourable senator from Gormley (Hon. Mr. McCutcheon) referred to something he called "sterile statistics". I would be the first to admit that statistics can be sterile, they can be deadly dull, they can be misleading. On the other hand, sometimes they can be pregnant with meaning. I am suggesting to you, honourable ladies and gentlemen, that some figures today are full of meaning for us and that we would be less than wise if we did not pay attention to them.

If we accept the thesis that modern industrial progress is based on the numbers of highly-qualified scientists and engineers employed, some comparative figures may be of interest. It is estimated that at the present time Russia employs 975,000 engineers against 730,000 in the United States, and the picture is not likely to improve much in the next six years because graduation rates are fixed by the present enrolment. These figures show that the United States will graduate 240,000 engineers in the next six years, while Russia will graduate 750,000. It is estimated that by 1965 the Russians will have 1,725,000 engineers, against 970,000 in the United States.

Let us go to the technician, technologist category. In the year 1959-1960 Russia enrolled 2,651,000 in this category compared with 80,000 in the United States. The annual graduation rate of technicians trained exclusively for industry—that is, high-level technicians—amounts to 250,000 in Russia and 16,000 in the United States. Recently a delegation from the American Engineers Joint Council, after making a study in Russia, reported that not more than 1,000 of the engineering graduates in the United States were equal in quality to those in Russia. None of this makes for comfortable reading and certainly it gives us no cause for complacency.

Incidentally, certain charts are published by the Canadian Universities Foundation, and an exceedingly interesting one illustrates that Russia spends 100 times more money on propaganda than does any other nation. Whether this is true or not, it seems to me it is time we did a little more propagandizing of our own.

There are other factors, but these are basic.

So I am suggesting, honourable senators, that we need to pay more attention to a national program of education to develop and encourage Canada's economic survival.

It would be possible to develop many aspects of the thesis that Canada must evolve some new directions if she is to fulfil even partially Sir Wilfrid Laurier's prediction that the 20th century would belong to Canada; but I propose to deal with only one major problem, and this is the one which we must solve if we are to succeed. That is the basic problem of the quality of education we provide and the numbers of people we train to make our economy effective.

I know there are people who will say that a discussion of education has no place in a federal chamber when the responsibility for education is by statute a provincial matter. Let me say at once that I make no apology for discussing in this chamber the very basis of any success which Canada may achieve as a modern nation. The Fathers of Confederation were able and dedicated men who in their wisdom served their country well. But those men never in their wildest dreams conceived of the kind of technology which is the basis of modern industrial nations. If they had, they would have made some provision for the more adequate financing of education than can be done from provincial and municipal resources.

Before giving some statistics on what our present position is and what our needs are, let me say at once that I am confident Canadian public men can devise formulas for the more adequate support of Canadian education without infringing the delicate sensibilities of the provinces.

The federal Government has been providing aid for education on an increasing scale for many years. We have only to think of the grants to universities, and the vocational training programs under which we have already spent $267 million since the new Technical and Vocational Training Assistance

Act was passed in December, 1960. While I do not want to bore you with statistics it is necessary to use some to get a picture of the present situation and some estimate of where we are going from here and, very importantly, how we compare with our competitors.

In the current school year in Canada the total enrolment in elementary and secondary schools is 4,600,000. Of this number 20 per cent, or 920,000, are in secondary schools. In the current year, 140,000 are attending universities. It is estimated that the cost to the Government per pupil, that is, apart from what parents have to pay, is as follows:

Elementary—$250 per year, or $920,000,000; secondary—$425 per year, or $400,000,000; university—$1400, plus, per year, or about $200,000,000; making a total of $1,520,000,000. This total figure does not include the money being spent on private schools, nor on adult education which, if added in, would probably bring it close to $2 billion per year.

Some projections that have been made by the Dominion Bureau of Statistics and the Canadian Universities Foundation should be of interest. I am going to confine my remarks to what is happening at the university level because this is the critical area in Canadian education and it is the only place from which we can get the highly-trained scientific personnel necessary for the world of today. Do not misunderstand me, honourable senators: this is a major issue facing the Canadian people, and we are falling behind in this respect. It is estimated that by the academic year 1965-1966 we will have to provide for an additional 50,000 students in our universities, making a total in that year of 190,000. By 1970 it is anticipated that the university population will increase by another 135,000, bringing the total in that year to 325,000.

The estimated annual operating costs which are presently running at $200 million a year will increase to $300 million by 1965-1966, and to $450 million by 1970. In the same period of time the capital costs will require $375 million by 1965-1966 and $1 billion by 1970. For example, in the current academic year, 1962-1963, Canadian universities are spending $167 million on capital; in 1963-1964 they will spend $255 million and in 1964-1965, $309 million.

In order to turn out the trained manpower required, we obviously need to have an adequate teaching staff. In 1960-1961 there were 9,000 full-time teachers and research workers employed in Canadian universities. It is estimated that by the academic year 1965-1966, 14,000 will be required, and by 1970-1971, 25,000. Allowing for an annual withdrawal rate, through retirements, death and other causes, of five per cent per year, we will have to recruit an additional 23,000 teachers and research workers for universities in the next 10 years. This is on the basis of a purely normal rate of growth, and makes no allowance for an expanded program.

Just to underline the deficiency in teaching staffs with desirable qualifications, we had a total enrolment in the graduate schools in Canadian universities in the academic year 1961-1962 of 7,347. In the spring convocations, masters degrees were given to 2,800 and doctors degrees to 325. Most Canadian universities today are trying to make the doctoral degree the minimum prerequisite for permanent appointment. However it is just not possible to get enough people with this standing to staff our universities, and we have to settle for people with lesser training.

It is estimated that by 1965 one Canadian university—the University of British Columbia—will require half the doctoral graduates in Canada in one year. This is only one university and it is not the largest. This illustrates the tremendous shortage of people with the kind of training required to teach and conduct research.

I could go on at much greater length to quote additional statistics, all on the same point, namely, if Canada is to maintain its place in the scientific world of today we must be prepared to find greatly-increased funds for education, and these can only be provided by finding some formula by which resources of the federal Government can be placed more effectively behind those of the provinces.

Expressed as a percentage of the gross national product, Canada has made substantial strides in attempting to meet her educational needs, but these are far short of what is necessary. In the current year Canada is spending 3.8 per cent of its gross national product on education—the highest we have ever spent. The figure for the United States is about the same. Again, the most authoritative figures we can get on Russia is about 7.5 per cent—almost double.

One of the privileges of living in a democratic society is that we have some choices, and it may be that we have reached the stage in our national development where we may have to exercise some degree of choice as to how we expend our resources.

It is easy to point out that Canada, for example, is spending 63 per cent of its national worth, or its G.N.P., on consumer goods. The United States is spending 66 per cent on consumer goods, and Russia 29.5 per cent. In other words the Russians are concentrating their expenditures on capital goods, military commitments, education, basic research, propaganda and foreign aid, while Canadians are concentrating their expenditures on food, shelter, household costs,

entertainment, transportation, clothing, medical costs, tobacco, alcohol, and so on. For example—and this is a good illustration of the direction of national wealth—in 1960 the Russians manufactured 125,000 automobiles. In the same year the Americans turned out 4,300,000. I do not have the Russian figure for 1962, but the Americans expect to turn out seven million automobiles. In another area, in 1961 Canadians spent $719 million on tobacco and $921 million on alcohol, or a total of $1,640 million for these two items.

Now I have no wish to deprive those who require these goods for their pleasures, but as long as we in Canada are spending more money on these two items than we are spending on education, I suggest to you that we are not in a position to say that we cannot afford to meet the increasing costs of education.

More and more, if Canada is to maintain her place among the modern nations of the world, we may have to start exercising choices. It may be that we shall have to voluntarily reduce our expenditures in what might be called the luxury segment of our economy and transfer these expenditures to the more productive areas of industrial and scientific development.

The alternative to this is to be prepared voluntarily to pay the additional taxes which will be necessary to maintain the complement of scientific manpower necessary to keep the Canadian industrial machine functioning at top efficiency. If we are not prepared to exercise the choice of diverting some of our expenditures from the consumer segment to the more productive areas, or to pay additional taxes, there will be only one inevitable end. The Canadian standard of living will deteriorate and we shall not be able to maintain our position among the front rank of industrial societies of the world. In that event, Laurier's prediction that the 20th century would belong to Canada will have gone down the drain as just another dream.

On motion of Hon. Mr. O'Leary (Carleton), debate adjourned.

PRIVATE BILL

CANADIAN PACIFIC RAILWAY COMPANY—SECOND READING

Hon. Walter M. Aseltine moved the second reading of Bill S-4, respecting the Canadian Pacific Railway Company.

He said: Honourable senators, there was some uncertainty that copies of this bill would arrive here in time for use today. However, they came from the printing bureau at about 2.30 o'clock, and honourable senators will find copies in their files.

This bill is a comparatively simple one. Its purpose is to grant authority to the Canadian Pacific Railway Company to build a branch line of railway a distance of approximately fifteen and a half miles from a point near Bredenbury in the province of Saskatchewan to a potash property located in the northeast quarter of section 24, township 20, range 33, west of the first principal meridian in the province of Saskatchewan.

It is necessary that the railway company come to Parliament for authority to build this branch line because under the provisions of section 138 of the Railway Act it is not entitled to construct a branch line longer than six miles without parliamentary authority.

The purpose of this branch line is to give service to the new potash plant which has been constructed by the International Minerals and Chemical Corporation of Canada on the aforementioned property. The railway company wishes to commence construction of the line this fall, and I hope to be able to convince honourable senators that that is quite necessary. It is expected that the construction of the line will create no engineering difficulty because the railway engineers have gone over the proposed right-of-way, have tentatively selected it, and consider it quite feasible for the purpose of economical railway construction.

Honourable senators will be pleased to note that the construction of this railway involves the spending of no public money.

Bredenbury, which I have mentioned, is an important intermediate railway terminal located 252 miles west of Winnipeg on the Canadian Pacific's secondary main line between Winnipeg, Saskatoon and Edmonton. It is equipped with terminal staff and has all the necessary facilities to handle expeditiously the traffic from the potash plant.

This potash development of International Minerals and Chemical Corporation is a tremendous one. It is stated to be the world's largest potash discovery, and it is expected that it will produce up to 10 per cent of the world's potash supply.

Hon. Mr. Lambert: Is this the development at Esterhazy?

Hon. Mr. Aseltine: Yes.

Hon. Mr. Lambert: How far is that from Bredenbury?

Hon. Mr. Aseltine: About 14 miles. There are two railway lines through there, one south of the potash plant and the other a short distance north of it, running from Winnipeg through Saskatoon to Edmonton.

The annual output of potash is estimated to be one million tons or better. With the sinking of another shaft to the 3,000-foot level the annual output would be increased by another one million tons.

Potash is used in the production of chemical fertilizer, and the markets for it are both foreign and domestic. It is expected that all potash produced at this large plant will be shipped by rail, and that 40 to 50 per cent will be exported. The exporting will take place mainly through British Columbia to such countries as Japan, Korea and Australia, and to some extent through eastern Canadian ports to Europe. It is anticipated that the balance will go to markets in the United States of America and in eastern and western Canada.

Hon. Mr. Reid: May I ask, what is the anticipated life of the potash deposit?

Hon. Mr. Aseltine: That information is disclosed in an article published in the Saskatoon *Star-Phoenix*, which I shall read later. However, I will say at this time that it is a most extensive discovery. The deposit lies for many miles in every direction and at a depth of 3,000 feet below surface.

Hon. Mr. Hnatyshyn: Almost 3,200 feet.

Hon. Mr. Aseltine: It is located in the area between Esterhazy and Bredenbury.

Hon. Mr. Brooks: The supply is unlimited.

Hon. Mr. Aseltine: Honourable senators, although this vast potash discovery was originally made by geologists in 1943 its development presented considerable difficulties because of what is known as the Blairmore formation of shale, clay and water-soaked sand that blocked the way to the deposits which, as I stated a moment ago, are some 3,000 feet below surface. However, after spending some $40 million, the company succeeded, through a method known as "tubbing", in effectively walling off the water and in stabilizing the shaft leading to the potash deposit.

This plant was officially opened on September 20, 1962. The opening was attended by the Honourable Paul Martineau, federal Minister of Mines and Technical Surveys, Premier Lloyd of the province of Saskatchewan, the Honourable Senator Hnatyshyn from Saskatoon, Mr. James Ormiston, member of Parliament for Melville riding and several distinguished residents of the community, including the mayor of Esterhazy and a number of other dignitaries.

Hon. Mr. Reid: I am surprised that Premier Lloyd attended, after all he has said against private enterprise.

Hon. Mr. Aseltine: I wish now to read a short article which appeared in the Saskatoon *Star-Phoenix* after the official opening. It reads as follows:

> Very few industries get as extensive red carpet treatment at their official opening as did the potash mine and refinery plant of International Minerals and Chemical Corporation (Canada) Limited, near Esterhazy.
>
> In the first place, the Saskatchewan Government named the 700-square mile area around the mine, Potashville. There was a reason. This is one of the most important new industries in the history of the province.
>
> The company had gambled $40 million on this project, and it is now paying off. Next year, 21,000 cars of potash will fan out for shipment to Eastern Canada, the United States, Japan, Australia, and other parts of the world. This is a greal industrial achievement.
>
> Saskatchewan's potash deposits are the world's greatest and richest. The government of Saskatchewan will reap an annual harvest of royalties, estimated at $350,000.

The article continues:

> Congratulations are due the company for the venture, now showing fulfilment. Saskatchewan will reap immeasurable benefits from this industry.

Hon. Mr. Reid: They sure need them.

Hon. Mr. Aseltine: I might also say that in the Esterhazy area new housing developments are under way, a new school is being built, and the district is rapidly becoming an important trading centre. The plant employs some 400 men, primarily from Esterhazy and the surrounding area. The annual plant payroll will exceed $2,400,000, and will support some 2,400 people.

Hon. Mr. Burchill: Canadian capital?

Hon. Mr. Aseltine: I would rather leave that question until the meeting of the committee.

This industry has requested the Canadian Pacific Railway to construct this short branch line, and from the inquiries I have made I think it is absolutely necessary.

If the bill is given second reading, I propose to move that it be referred to the Standing Committee on Transport and Communications for further study. I hope it will get second reading today so that the committee could meet next Wednesday to hear the Canadian Pacific Railway officials who would be attending. I am also informed that certain of the potash company officers will also attend and will be prepared to give all the information necessary to show that the line is indeed one that should be built.

Hon. Mr. Isnor: Can the honourable senator state with certainty whether this territory is now being served by a railway and, if so, what railway?

Hon. Mr. Aseltine: There are two railways about fourteen or fifteen miles apart, one the Canadian Pacific Railway, running northeast and southeast on the north, and one running in the same direction south of the deposit. The Canadian National Railway has erected a two-mile branch from their line near Esterhazy up to the south end of the plant, and the branch proposed to be built by the Canadian Pacific Railway will come in from its line on the north.

Hon. Austin C. Taylor: Honourable senators, I do not propose to speak at any length in connection with this bill, but I would like to say a word or two on it.

I am particularly interested in the development of this tremendously rich deposit of potash that has been discovered in the province of Saskatchewan. Over the many years that I have been interested in and actively engaged in agriculture, most of our potash came from Germany. During World War I that supply was cut off.

In so far as eastern Canada is concerned, particularly the Maritime provinces, I think every farmer agrees that he should use some commercial fertilizer and perhaps even more than he may now be using.

Though I had from time to time read about this potash deposit, I had no idea of its magnitude until this afternoon when this bill was so well explained by the honourable senator from Rosetown (Hon. Mr. Aseltine). I am not too interested in whose capital developed it, whether it is Canadian, British or some other, just so long as it is developed and is available to Canadian people, particularly the farmers. I hope that it is not tied in with any cartel that will make it difficult or impossible to get potash cheaper than in former years. That was the case with the potash that was previously being used.

Hon. Mr. Aseltine: I think it came from Florida.

Hon. Mr. Taylor (Westmorland): I hope somehow the system of transportation assistance on grains from Western Canada to Eastern Canada will be applied to the shipment of potash from western Canada to the eastern provinces.

I have pleasure in supporting the motion for the construction of this branch line, if there is no other railway facility available, and I understand there is none at the present time.

Hon. Mr. Aseltine: That is not quite correct. The Canadian National Railway line runs two miles from the plant and it taps the plant from the south; this line will tap the plant from the north.

Hon. Norman P. Lambert: Honourable senators, may I ask the honourable senator as to an understanding in connection with the transportation facilities, and if arrangements have been made between the two railways to divide this?

Hon. Mr. Aseltine: I have heard nothing of it.

Hon. Mr. Lambert: If I may continue for a moment, I think this question should be considered by the Standing Committee on Transportation and Communications.

I have no hesitation in congratulating Saskatchewan and the country as a whole on the acquisition of this industry and the development of this valuable property. It has long been known that there were possibilities of large deposits of potash underlying much of the territory of Saskatchewan, especially in those areas referred to. It was a question for scientific knowledge as to their extent, their capacity for development and how far they could be relied upon.

There is another property with which I am familiar to a certain extent, near Unity, where another Canadian corporation, with Canadian directors, is operating.

Hon. Mr. Aseltine: Is that the Bata property?

Hon. Mr. Lambert: Yes. It has to contend with some difficulties which were overcome at Esterhazy. I am not fully informed at the moment as to what progress has been made at Unity, but I know there were some serious setbacks from flooding, and the impossibility of erecting caissons that would protect the shafts from the pressure of water. I am not aware that those problems have been overcome in that particular place, but the great potential of potash would add still further to the assets of the province of Saskatchewan, now mostly wheat and agricultural products, and increase its share of the gross national product of this country.

Hon. John Hnatyshyn: Honourable senators, I would like to add a few words to what has been said by the honourable senator from Ottawa (Hon. Mr. Lambert). A potash plant, similar to the one at Esterhazy, is being constructed sixteen miles southeast of Saskatoon. There has been a lot of development at Unity but no plant has been built there.

Operations were started near Saskatoon two years ago, and difficulties such as flooding in the shaft were encountered. However, that has now been overcome, and in a few months they hope to resume operations. Potash was already being produced near Saskatoon, and it is felt that the deposits there are almost equal to what have been found at Esterhazy.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Aseltine, bill referred to Standing Committee on Transport and Communications.

BANKRUPTCY ACT

ORDER STANDS

On the Order:

Second Reading of Bill S-2, intituled: "An Act to amend the Bankruptcy Act—(Hon. Senator Brooks, P.C.)"

Hon. Mr. Brooks: Honourable senators, I ask that this order stand for today, and that it be Order No. 1 on the Orders of the Day for Tuesday next.

Hon. Senators: Agreed.

The Senate adjourned until Tuesday, October 16, at 8 p.m.

THE SENATE

Tuesday, October 16, 1962

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

Prayers.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Report of the Department of Agriculture for the fiscal year ended March 31, 1962, pursuant to section 6 of the Department of Agriculture Act, chapter 66, R.S.C., 1952. (English text).

Statutory Orders and Regulations published in the Canada Gazette, Part II, of Wednesday, October 10, 1962, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report of Expenditures and Administration in connection with the Family Allowances Act for the fiscal year ended March 31, 1962, pursuant to section 14 of the said act, chapter 200, R.S.C., 1952. (English and French texts).

Report of Expenditures and Administration in connection with the Old Age Security Act for the fiscal year ended March 31, 1962, pursuant to section 12 of the said act, chapter 200, R.S.C., 1962. (English and French texts).

Report of agreements made under the Agricultural Products Co-operative Marketing Act for the fiscal year ended March 31, 1962, pursuant to section 7 of the said act, chapter 5, R.S.C., 1952. (English and French texts).

Report on the administration of Part I of the Royal Canadian Mounted Police Superannuation Act for the fiscal year ended March 31, 1962, pursuant to section 25 of the said act, chapter 34, Statutes of Canada, 1959. (English text).

Form of General Agreement under the Agricultural Rehabilitation and Development Act between the governments of Canada and of the provinces, as approved by Order in Council P.C. 1962-1291, dated September 14, 1962. (English and French texts).

NEW SENATORS

QUESTION OF PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators, I rise to a question of privilege. As I was coming into this chamber I met one of our esteeemed colleagues who is not among the new appointees of this chamber, and he said to me, "Why do you give us names?" I was dumbfounded. I never gave any senator a name other than his own, or that of his constituency, or his district. But I must bring your attention, honourable senators, to the fact that there is an immense difference between an affirmation and a question. A question is easy to recognize, especially when it is qualified as such—"I am going to ask you a question." Then to continue, the rules of grammar are the same in the English as in the French language. An inversion shows that a certain number of words are not an affirmation but a question.

Therefore, I have nothing to withdraw and I hope everybody will understand that I have not called any of my colleagues a Trojan horse, but I have asked of the new appointees if there were any Trojan horses amongst them. It makes all the difference in the world.

And now to continue to elucidate the matter, may I add that there is nothing offensive in comparing anyone to the Trojan horse, a big thing made of wood, that was used in olden times to carry soldiers into a fortress. Those who want more information on the subject could re-read a chapter of the Iliad, by Homer, the renowned Greek poet, who is always fascinating.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

Hon. Jean-François Pouliot gave notice that on Wednesday, October 24, he will inquire of the Government:

Referring (a) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(b) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from any one to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?

2. If so, from whom and when?

3. In view of the Statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c. 36;
13-14 Geo. V, (1923) c. 19;
22-23 Geo. V, (1932) c. 10;

and the Revised Statutes of Canada:

c. 105 of 1906;
c. 127 of 1927: and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Mr. Pouliot: Honourable senators, I desire to put four questions on the Order Paper. They are the same questions that were asked first on March 28 of this year and were on the Order Paper until April 18. They have to do with the relationship that exists between the constitutional law and the civil law, not only in the province of Quebec but each province of Canada. I do not intend to say much more now. I hope that I shall be allowed to have those questions put on the Order Paper without reading them, because they are familar to all my honourable colleagues who were sitting here last session.

In due course, and in order to facilitate the answers to each one of the four questions, I shall from time to time stake out the road to the relative truth that must exist in law as well as in any other science. There has been a change in the Department of Justice, and when the head changes it is full of meaning especially to those who want to receive an answer. Let us hope that the new Minister of Justice will take the matter into favourable consideration. He has already received a copy of these questions before they appear on the Order Paper. I am in a very co-operative mood to supply from time to time the Leader of the Government (Hon. Mr. Brooks), the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) and you, too, Your Honour, with all the information that I have at my disposal.

LAND USE

NOTICE OF MOTION FOR APPOINTMENT OF COMMITTEE

Hon. A. J. Brooks: Honourable senators, I give notice that on Thursday, October 18, I will move:

That a special committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people, and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the committee be composed of the Honourable Senators Basha, Boucher, Buchanan, Cameron, Crerar, Emerson, Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Higgins, Hollett, Horner, Inman, Leonard, MacDonald (Queens), McGrand, Methot, Molson, Pearson, Power, Smith (Kamloops), Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Veniot and Welch.

That the committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the committee have the power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the seven preceding sessions be referred to the committee.

BANKRUPTCY ACT

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. John G. Higgins moved the second reading of Bill S-2, to amend the Bankruptcy Act.

He said: Honourable senators, bankruptcy is an institution that plays a large part in the commercial affairs of Canada; and there is no doubt that if it has played a large part in the past, it will play as large a part in the future. For, wherever there is commerce, wherever there is buying and selling or barter, there will also be bankruptcies.

It is unfortunate for the bankrupt and for his creditors. In some cases it is a terrible tragedy for the bankrupt himself, because he

is often a man who has put all his money into a business which prospered for a while and then failed, and thus he finds himself ruined.

It is equally unfortunate for the creditors, for I suppose it has never happened that a creditor has found a business that went bankrupt had sufficient assets to pay 100 cents on the dollar.

Bankruptcies or insolvencies—whatever you like to call them—existed way back in the misty past. Roman law made special provision for bankruptcies, and the law of bankruptcy was for a long time a harsh one because the bankrupt became a slave of his creditor. But, the doctrine of *jus gentium,* the law of nations, spread from Greece and prevailed in Rome, and the bankruptcy laws were softened and made more merciful and equitable by its influence.

England, up to the mid-nineteenth century, had equally harsh laws with respect to debts, and men who could not pay their debts filled the jails, for the idea existed in those days that a man who could not pay his bills should be sent to prison. But more humane doctrines gradually prevailed, and with the changing times laws became more merciful, and for many years now the bankrupt may lose his money but not his liberty.

The institution of limited liability companies has been a boon for people in business. By this means a man now loses only what he puts into a company; his private estate is never touched in the case of a liquidation. A small man may become a shareholder in a company and lose only the money he put into that company, but if that man is a minor member of a partnership and that partnership fails, then he might lose everything he owns.

To demonstrate the importance of discussing bankruptcy I shall cite the following figures with respect to bankruptcies in Canada during the calendar years 1957 to 1961:

Year	Number of bankruptcies
1957	3,486
1958	3,229
1959	3,238
1960	3,641
1961	3,511

Honourable senators, in deciding to give you a resumé of bankruptcy, I did not want to adopt a professorial attitude here in the Senate because I was never a professor, but I thought it might be interesting for some people if I did this. I found it a hard task, considering the short time at my disposal. However, I found a clipping in my desk which came to light because I changed my quarters from a small room to a larger room that has a nice view of the Ottawa River flowing behind. I found myself in more congenial surroundings, and after I started to prepare this speech I came upon this clipping by Walter Stewart, a press correspondent in Toronto. I feel I should give thanks to those to whom thanks are due, and I would like to give thanks to that gentleman because he helped me out in a portion of my speech.

Now, there may be those here who know nothing about bankruptcy or bankruptcy laws; there may be those who know something about those laws, and there are others who are experts on the subject. I say to those who know nothing about bankruptcy law or the Bankruptcy Act that they may learn something; of those who may know a little, I ask tolerance, for even I, who know very little, must listen to my own voice with patience and try to improve myself with repetition. And I say to those who know a lot —that is, the experts—they may gain nothing, but at the same time will lose nothing and may have the satisfaction of discovering that I do not know as much as I try to make them think I know, and it is a great satisfaction to find out the truth no matter how embarrassing to some other person.

There are two ways of becoming bankrupt. The first is by the filing of a voluntary assignment. A debtor executes an assignment of his property for the benefit of his creditors, and also makes a statement of his assets and liabilities. These are filed with the official receiver, who appoints a trustee. He cannot appoint anyone as trustee, but only a person who has been licensed under the Trustee Act, and such a person must give a bond for the due carrying out of his duties and the proper management of the estate. The official receiver usually chooses a trustee after consultation with the most interested creditors, if ascertainable at the time.

Within five days, the trustee sends a notice for a meeting of the creditors to take place within 15 days after the mailing of the notice. Meanwhile the debtor must fill out a questionnaire about his affairs, which is given to him by the official receiver. The official receiver will examine him on his answers, and these are filed.

At the meeting of the creditors, the official receiver or the trustee will be the chairman. Placed before the creditors will be the assignment, the questionnaire and the answers to it. At this meeting the appointment of the trustee is confirmed or a new trustee is appointed. The meeting also appoints inspectors, not exceeding five in number, and they are usually the largest creditors. Their work is to advise and guide the trustee.

At the meeting, any creditor has a right to cross-examine the debtor. The creditors may pass any resolution for the guidance of the

trustee and the inspectors. Later, of course, there are meetings with the trustee and the inspectors.

The powers of the trustee are wide. He can wind up the business or carry it on.

The second way of bringing about bankruptcy is for a creditor or a group of creditors to apply for it by petition, claiming that the debtor should be made bankrupt. This is called a petition in bankruptcy. It is necessary for the party or parties making the petition to have claims exceeding $1,000.

The petition sets out the debt and alleges an act of bankruptcy, and asks for a receiving order against the debtor. A copy of the petition must be served on the debtor, and he is given eight clear days before the hearing to decide whether or not a receiving order should go. The hearing takes place before the registrar of the Court in Bankruptcy.

I mentioned an act of bankruptcy. What is such an act? The manner by which an act of bankruptcy may be committed is set out in section 20 of the Bankruptcy Act, which says, in part:

> 20. (1) A debtor commits an act of bankruptcy in each of the following cases:
>
> (a) if in Canada or elsewhere he makes an assignment of his property to a trustee for the benefit of his creditors generally, whether it is an assignment authorized by this Act or not;
>
> (b) if in Canada or elsewhere he makes a fraudulent conveyance, gift, delivery, or transfer of his property or of any part thereof;
>
> (c) if in Canada or elsewhere he makes any conveyance or transfer of his property or any part thereof, or creates any charge thereon, that would under this Act be void as a fraudulent preference;
>
> (d) if with intent to defeat or delay his creditors he does any of the following things, namely, departs out of Canada, or, being out of Canada, remains out of Canada, or departs from his dwelling house or otherwise absents himself;

If the bankruptcy is contested, the petition will be heard before a Supreme Court Judge in Bankruptcy. If the judge is satisfied that an act of bankruptcy has been committed, the receiving order goes and a trustee of the debtor's estate is appointed at the same time.

According to section 25, no petition for bankruptcy can be presented against certain persons. It reads:

> Sections 21 to 24 do not apply to individuals engaged solely in fishing, farming or the tillage of the soil, or to any individual who works for wages, salary, commission or hire at a rate of compensation not exceeding twenty-five hundred dollars per year and who does not on his own account carry on business.

A petition in bankruptcy cannot be presented against any of those individuals; but there is nothing to stop them going into bankruptcy by making an assignment of their estate for the benefit of creditors.

Section 26 (6) sets out the provisions of the act relating to summary administration of estates in the case of small properties where the bankrupt is not a corporation. The procedure is set out in section 112 of the act, and I shall deal with that section later.

A proposal to his creditors for the settlement of his debts may be made by an insolvent or a bankrupt. This proposal may be for a composition, an extension of time to pay debts, or a scheme of arrangement. This proposal must be sanctioned by the creditors and approved by the court.

May I say here that an insolvent is one who is unable to pay his debts. A bankrupt is an insolvent who becomes bankrupt either by his own act, namely, by his making an assignment or by the act of a creditor in presenting a petition in bankruptcy. This applies to a person on salary, or in business, or a company.

The estate of the bankrupt is wound up by the trustee by the disposal of his estate, and the money arising from the estate is divided up in order of precedence, as set out in section 95, which provides that certain Crown debts and various other debts be paid first before the winding up of the estate.

The bankrupt may apply to court for a discharge at any time after the winding up. The court may grant the discharge, or postpone it, or allow it under certain conditions. There are certain debts from which a bankrupt is not discharged by bankruptcy proceedings, as set out in section 135, subsection (1):

> An order of discharge does not release the bankrupt from
>
> (a) any fine or penalty imposed by a court or any debt arising out of a recognizance or bail bond;
>
> (b) any debt or liability for alimony;
>
> (c) any debt or liability under a maintenance or affiliation order or under an agreement for maintenance and support of a spouse or child living apart from the bankrupt;

(d) any debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity;

(e) any debt or liability for obtaining property by false pretences or fraudulent misrepresentation;

(f) liability for the dividend that a creditor would have been entitled to receive on any provable claim not disclosed to the trustee, unless such creditor had notice or knowledge of the bankruptcy and failed to take reasonable action to prove his claim; or

(g) any debt or liability for goods supplied as necessaries of life and the court may make such order for payment thereof as it deems just or expedient.

(2) An order of discharge releases the bankrupt from all other claims provable in bankruptcy.

An undischarged bankrupt must not engage in a trade or business without disclosing to all persons with whom he enters into any business transaction that he is an undischarged bankrupt, and he must inform any person from whom he obtains credit, for a purpose other than the supply of necessaries for himself and family, to the extent of $500 or more, that he is an undischarged bankrupt.

Provision is made in the act for a trustee's remuneration. The court may, if it sees fit, refer to the registrar to take the account of the trustee and to settle the trustee's remuneration. The maximum amount he can receive is 7½ per cent of the amount remaining out of the realization of the property after the claims of the secured creditors have been paid and satisfied.

The Bankruptcy Act may be said to establish three procedures:

(1) An insolvent person may be petitioned into bankruptcy by his creditors (Section 21).

(2) An insolvent person may make an assignment in bankruptcy (Section 26).

(3) An insolvent person or a bankrupt may, before or after being petitioned or assigning himself into bankruptcy, make a proposal to his creditors (Section 27).

I spoke a little earlier about summary administration as set out in section 26 (6). The bill before us asks that this subsection (6) be repealed. Subsection (6) reads:

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

The procedure outlining the steps necessary to carry out subsection (6) is outlined in sections 114, 115 and 116 of the act. It is also asked that these sections be repealed. If the subsection is repealed, these sections must also be repealed, for they depend entirely on the subsection and have relation only to it.

The bill is designed to meet two situations. During recent years abuses have crept into the administration of certain estates in bankruptcy by some trustees. Particularly has this happened in the case of small estates to which the summary provisions of the act apply, that is to say, in cases where the bankrupt is an individual, or the realizable assets, after deducting the claims of secured creditors, do not exceed $500. The provisions do not apply to corporations.

The purpose of summary administration, first enacted in 1949, was to provide for the expeditious administration of small estates, reduce the cost of such administration and bring about the early discharge of the bankrupt. To do this the legislation provides for relaxing certain of the requirements ordinarily applicable in the administration of bankrupt estates.

The serious provisions relaxed are:

(1) The security ordinarily required to be deposited by the trustee administering an estate is dispensed with. There is no necessity for the trustee to give a bond.

(2) The notice of a bankruptcy need not, as in other cases, be published in a local newspaper, unless deemed expedient by the trustee or ordered by the court.

(3) Only creditors who have proved claims amounting to $25 are entitled to receive notice, other than notice of first meeting of creditors, whereas in ordinary bankruptcies all creditors who have proved claims, are entitled to receive such notice.

(4) No inspectors are required, as in the case of ordinary bankruptcies.

(5) The creditors at the first meeting may authorize the trustee to apply for the discharge of the bankrupt without further notice to them, where the bankrupt has not made a proposal for a composition and his examination has not disclosed any assets, whereas in ordinary bankruptcies the trustee is required to give express notice to the creditors unless the court dispenses with such notice.

Taking away these safeguards made the administration of small estates a sort of happy-go-lucky adventure, which sometimes created opportunities for fraud and misrepresentation. Such abuses as soliciting persons to make assignment in bankruptcy, mismanagement of the assets of bankrupt estates, failing to realize upon such assets for the benefit of creditors, and misappropriation of assets, became possible and easy of achievement.

The elimination of estate inspectors and the necessity to put up a bond contributed in a large degree to this state of affairs. This is the view of the Bankruptcy Branch of the Department of Justice, and it was also brought to the attention of that department by such persons as the Chief Justice of the Court in Bankruptcy of one of the provinces, and to the Canadian Bar Association.

One purpose of the bill before us is to make applicable to those estates coming under the summary administration section the requirements and safeguards applicable to other estates. To do this, the repeal of the summary administration section is found to be necessary to create the same situation as existed prior to 1949.

This will work no hardship on small bankrupts. In reality, both creditors and bankrupts will profit thereby as both have frequently suffered from the above-mentioned abuses.

I now come to the second purpose. The province of Manitoba had attempted to have small estates wound up by a certain procedure. It had in effect, during several years, legislation called The Orderly Payment of Debts Act. This act provided a comparatively simple and inexpensive procedure whereby a small debtor, who was unable to meet his obligations as they came due, could apply to the Clerk of the County Court to fix amounts to be paid into court and distributed pro rata among the creditors until they were paid in full.

In 1959 Alberta passed a similar act but, apparently entertaining some doubt as to its constitutional validity, referred it for the opinion of the Supreme Court of Canada on this point, before it should be proclaimed.

In 1960 the Supreme Court of Canada held the provincial act to be *ultra vires*, as conflicting with the federal jurisdiction over "Bankruptcy and Insolvency" in the British North America Act.

The Alberta act, consequently, was never proclaimed and the Manitoba act was repealed. Both provinces then requested the enactment of federal legislation of the same character which could be proclaimed by other provinces if requested.

Part X will not come into operation in any of the provinces unless the Lieutenant-Governor of that province makes a request that the Governor in Council should issue a proclamation that it be put into force in that province which requested it.

This bill, by the introduction of Part X, enacts a new procedure in bankruptcy law. Part X—that is the bill before us—closely follows the provincial legislation just mentioned, which was declared *ultra vires*. The scheme, briefly, is that a debtor who cannot meet his debts may go to the Clerk of the County Court, or such other court as is designated, and disclose to him his debts, his resources and his obligations, and ask for the issue of a consolidation order which fixes the sums to be paid into court for distribution among the creditors, until the debts are fully discharged.

If such an order is issued, a creditor may not, while the debtor carries out the terms of the order, proceed against the debtor in respect of a debt to which the part applies.

Part X does not apply to a debt in excess of $1,000, except when the creditor consents. Certain debts do not come within Part X, as for instance a debt incurred by a trader or merchant in the ordinary course of his business, that is to say, a trading debt.

This bill, as I have said, deals with small estates. It does not affect wealthy people, companies, traders or merchants. But a vast amount of time and trouble must have been involved in bringing about the various sections to effect the purposes of the bill. It may look like putting the trappings of an elephant on a mouse.

Before Confederation in 1949, Newfoundland had a very simple process of dealing with insolvencies. We never used the word "bankrupt". That word was never found in Newfoundland law before Confederation. A man was insolvent if he could not pay his bills and the court declared him insolvent, not bankrupt. He could make a composition with his creditors or assign to a trustee for the benefit of his creditors. The only time the debtor would need to go to court under these circumstances was when certain creditors did not sign the composition, the assignment, or the arrangement, and the debtor or some creditor would be forced to apply to court to have the debtor declared insolvent in order to have the assignment or composition sanctioned by the court, which would be done if three-quarters in number or in value of his creditors had agreed to the composition or assignment. The insolvency would then be set aside. All this procedure was contained in about ten sections of the Judicature Act.

This bill, however, is designed for ten provinces and fifteen million people and that presupposes a vast number of people to be affected by it. It is a bill designed to form part of the Bankruptcy Act, enacted for a vast country of immense wealth and resources. I understand that the Bankruptcy Branch of the Department of Justice will be putting forward a complete revision of the Bankruptcy Act at some time. This will require much toil on the part of those who are expert in the subject.

Now let us come to the sections of the bill. I did not anticipate speaking at length amid the strong heat of an October evening after a long period of summer cold.

The repealed sections 114, 115 and 116 are set out in the explanatory notes.

Section 174 sets out the classes of debts to which Part X applies and to which it does not apply.

The items specified in subsection (2) are taken from the provincial legislation, it being considered desirable to adopt them as they are. The same applies to subsection (3). But by subsection (3)(c) the Governor in Council may, for any province other than Manitoba or Alberta, designate the corresponding classes of debts in those provinces where Part X does not apply. I may remark that under section 196 the Governor in Council may raise or lower the sum of $1,000 referred to in subsection (1).

Section 175 starts the procedure. A debtor in a province where Part X is in force may apply to the clerk of the appropriate court in such province.

Section 176 outlines the duties of the clerk. He settles the amount to be paid into court and the times of payment. Creditors may contest the issuing of a consolidation order at a meeting set by the clerk.

Section 177. Any creditor has twenty days to object to the amount entered in the record as owing to him or any other creditor, or to the amounts or times of payment thereof determined by the clerk, or to the fact that the clerk has not settled any such amounts. If an objection is received, the clerk notifies the time and place of hearing thereof to the interested parties.

Section 178 sets out that at the time and place appointed for the hearing of an objection taken under section 177, the clerk may then add to the record the name of any creditor who was overlooked but whose name has now come to light.

Section 179. At the time and place appointed to hear objections, the clerk considers any such objection and disposes of it or refers it to the judge of the court himself. The result is entered in the record.

Section 180. If no objection is entered within twenty days, the clerk notes this fact in the record and issues a consolidation order.

Section 181 sets out the contents of a consolidation order. The order must state the name of and the amount owing to each creditor, and so on.

Section 182 lays down that an order must provide for payment in full within three years, unless all creditors consent or the court approves.

Section 183. Any party affected by a consolidation order may, within fourteen days of its making, apply to the court to review it. The clerk enters on the record the decision of the court, whether to confirm, vary or set aside the consolidation order.

Section 184. The court, in dealing with a consolidation order, may impose terms on a debtor with respect to the custody of his property, or any disposition thereof, or the proceeds thereof, for the protection of the creditors on the record.

Section 185. Upon the issuance of a consolidation order, no process shall be issued out of any court in the province against the debtor at the instance of a creditor in respect of a debt to which Part X applies, except as permitted by Part X. Provision for such permission is made in section 189.

Section 186 provides that the clerk of the court may, after the issuance of a consolidation order, insist upon an assignment of any money owing or to become owing to the debtor or earned or to be earned by the debtor. The clerk may also issue a writ of execution, upon a consolidation order, and file it wherever it will be a charge upon land or chattels.

Section 187 gives the clerk the right to add to the list of creditors, before the recognized creditors have been paid in full, a creditor who is not on the list. The debtor may dispute the claim and the matter is referred to the court.

Section 188 deals with a secured creditor and the manner in which he is paid. These are actually long sections.

Section 189 is another long one. It provides that in certain circumstances a recorded creditor may apply, by notice of motion, for authority to enforce the order as for instance, where the debtor has defaulted in his payments. He may apply *ex parte* where the debtor has absconded; and the court may authorize the creditor to act on behalf of himself and all creditors.

Under section 190 a debtor or a creditor may apply at any time *ex parte* to the clerk for a further examination and review of the debtor's financial position, as a result of which the order may be revised.

Section 191 imposes on the clerk the duty to distribute the money paid into court pro rata every three months.

Section 192. The clerk may, for any purposes of Part X, examine any person under oath. He also keeps a written record in summary form of the proceedings.

Section 193. Where a debtor is put into bankruptcy all money already paid is paid over to the trustees. Although proceedings are

taken under Part X, this does not prevent anybody taking bankruptcy proceedings under other provisions of the act.

Section 194 sets out that a decision or order of the court under Part X is subject to appeal in the same manner as other decisions or orders of the court in a civil action.

Section 195 provides that a copy of every consolidation order be sent to the Superintendent of Bankruptcy. The clerk also reports to the superintendent upon the conclusion of each proceedings under Part X.

Section 196, which I mentioned earlier in relation to section 174, authorizes the Governor in Council to make regulations for carrying into effect the purposes of Part X, including the prescribing of forms and fees, the designating of the appropriate court in provinces other than Alberta and Manitoba, adapting the Part to the particular circumstances of a particular province, varying in respect of any province the classes of debts and amounts thereof to which Part X applies, and changing or prescribing, in respect of any province, the classes of debts.

Section 197 provides that the accounts of every clerk of the court, under Part X, are subject to audit by the appropriate provincial authority.

Section 198 sets out that Part X—and this is important—comes into force in any province only upon the issue of a proclamation by the Governor in Council at the request of the Lieutenant-Governor in Council of the province concerned. In other words, Part X does not come into effect in any province unless such province requests that the Governor General in Council shall issue an order making it apply.

Clause 4 of the bill relates to the repeal of the summary administration provisions of the Bankruptcy Act and makes it clear that, if a bankruptcy is being administered under such provisions when Part X comes into effect, it will continue to be so administered.

Hon. Mr. Davies: May I ask the honourable senator a question? Did I understand him to say at the beginning of his speech that there is a limitation on claims to be made against a man in business who becomes bankrupt, that a certain portion of his assets may be set aside for his own benefit?

Hon. Mr. Higgins: To the extent of supplying necessities for himself and family.

Hon. Mr. Davies: Thank you.

Hon. Salter A. Hayden: Honourable senators, there are a few things I would like to say in connection with the bill now before us. Having been on the Banking and Commerce Committee of the Senate when the Bankruptcy Act was revised in the late forties, and having been given the arduous job as chairman of a subcommittee which dealt with the portions of the bill then before us—and where there was a contest, and representations were being made, the subcommittee was told to sit down with these people and resolve their problems—I acquired some smattering of knowledge of the provisions of the Bankruptcy Act.

This application of the Bankruptcy Act is a broad subject dealing generally with providing the machinery by which a debtor's assets may be liquidated in the best interests of and for the benefit of his creditors. But the subject matter of the bill before us tonight is a very narrow one; it deals only with summary administration in cases where the debts of the individual—and it applies only to individuals—are within a certain range limit.

Now the law as it stands at present, provides that the summary administration sections 114 to 116, inclusive, apply where the assets of the debtor, apart from all secured claims, are not in excess of $500. That is the area in which the act at the present time applies.

The summary administration provisions are contained in these three sections, 114, 115 and 116, and while they still provided for a trustee in bankruptcy, such trustee did not have to make a deposit in order to guarantee a faithful and honest performance of his duties. Also, there were no inspectors. In practice, abuses developed even within that small area, and salaried individuals would go on a buying spree; then they would meet with a very co-operative trustee and there would be a summary administration of their affairs. The machinery even went so far as to provide that when the trustee was sending out a notice to creditors he would include in the material a notice for fixing a day when the debtor might be discharged from his bankruptcy. So there was a very friendly sort of spirit, and the summary administration provisions were never intended to cover the kind of situations that have developed.

What does this bill do? This bill repeals those sections and provides a new Part X in which a different kind of machinery is set up for individuals who fit within these conditions, namely, that the creditors' claims individually must not exceed $1,000. If there is a judgment, for instance, for more than $1,000, that creditor may come in and take part in this summary administration, if he agrees to come in. Now it would appear to me that that kind of provision is open to at least as much abuse as the provisions being repealed.

There are certain things in connection with this bill that I must object to very strenuously, and I shall tell you why. First of all, under this part there is no such thing as a trustee. The clerk of the court is the one to whom the debtor may go and submit his application and material for what is called a consolidation order. Then he has to file an affidavit setting out certain information as to what his assets and liabilities are, and there is a hearing by the clerk of the court who in the first instance makes all these determinations as to proof of claims and the assets which the debtor has exposed to him. The clerk then passes on payment on account of all these claims.

But here we are now establishing the clerk of the court. In Alberta, according to this bill, the clerk of the court is the Clerk of the District Court, and in Manitoba he is the Clerk of the County Court; as to other provinces it says that the Governor, by order in council, may determine the court of the province which shall be the court, the clerk of which is the one who has the power for summary administration and to make these consolidation orders.

I cannot understand why this should be done when we have, in every province in Canada, a registrar under the Bankruptcy Act, who has over a period of years gained a considerable experience in dealing with bankrupts, and knows their ways much better than a person who comes in without any knowledge of or familiarity with the ways of debtors. You can be sure that debtors, who become bankrupt, in many instances—not in all instances because sometimes it may be a genuine bankruptcy—may, for instance, try to conceal some assets in the hope that they will be beyond reach when the bankruptcy is declared.

To safeguard the position of the creditor I think the best available machinery should be used, if we are going to provide this plan of consolidation of debts and the orderly administration of the affairs of those debtors who have not been declared bankrupt. A debtor goes to the clerk of the court and submits all the information that is required, an order is made, and then under the new administration makes his payments, notwithstanding the fact that the creditor may avail himself of the provisions of the act and demand bankruptcy.

My first objection, then, is that the services of the person in each province who is most familiar and most experienced in the administration of bankruptcies under the Bankruptcy Act are not going to be used. My second objection is that there is no provision in this bill for inspectors.

At the worst, I think this bill should provide for the appointment of inspectors in the discretion of the creditors at the first meeting of creditors convened by the clerk, because alert inspectors often uncover assets that would not otherwise be found. Therefore, I say that those two points should be considered.

I agree that the provisions of the act as it now stands have been subject to abuse, and it is time some changes were made. I am not sure that the changes need go as far as Part X in this bill goes, but if this new provision with respect to the orderly payment of debts in Part X is to be enacted, then I say that in the interests of the creditors there should be certain safeguards. The registrar of the bankruptcy court should be appointed instead of a clerk of whatever court of a province may be designated, and I believe there should be a discretionary power in regard to inspectors.

I should point out, honourable senators, that the Board of Trade of Metropolitan Toronto, under the guidance of its legal secretary, over the period since the Bankruptcy Act was revised in the late 1940's—I think it was in 1949—has been making a study year by year of the experiences of trustees and all persons concerned in bankruptcies and in the administration of the act. That organization submitted a lengthy brief to the Superintendent of Bankruptcy in December of last year, and the only recommendations in the brief that are acted upon by this bill are those with respect to Sections 114 to 116 of the act. The submissions with respect to sections 114 to 116 were:

> Certain weaknesses have become apparent in operation under the summary administration provisions in Sections 114-116. The following subsections of section 114 involve the principal weaknesses and should be repealed for the reasons stated:
>
> Subsection (c), for the reason that a bad impression is created on the part of creditors who receive a notification of discharge proceedings along with the notice of bankruptcy, especially in those instances where the amount of debts involved is large.

Mind you, the amount of debts can be large when the test is that not more than $500 has been left after the secured creditors have been taken care of. There is no limitation; no maximization or minimization of the amount of debts. The submission goes on:

> The effect of such a change would be to leave bankrupts under summary administration to apply for discharge in the usual way.

Subsection (f) which would leave the bankrupt under summary administration free to submit a proposal under the proposal provisions of the Act. In any event there is little to be gained in practice by this provision in the summary administration sections.

Subsection (h), owing to the fact that its effect is to exclude examination under oath and make it more difficult to ascertain whether any improper use is being made of the summary administration proceedings.

Those are the objections that body had to Section 114. The submission goes on to say:

Subsection (g) should be amended, so that there may be inspectors if the creditors at the first meeting so decide. The reason for this is that under the present procedure the Court only has before it the debtor's statement of assets and liabilities. Instances have occurred in which important transfers of property have taken place prior to bankruptcy without being disclosed in the debtor's statement before the Court. The appointment and activities of inspectors in such cases would serve a valuable purpose in investigating prior transfers of property and serve to guard against any undesirable advantage being taken of the summary administration proceedings in this regard.

I should point out that in order to support this representation, the Board of Trade of Metropolitan Toronto caused a comprehensive and continuing study of the act to be made by a committee of persons who had special knowledge of the subject. This committee was comprised of leading trustees, liquidators, members of the accounting and legal professions, and business executives who had specialized in bankruptcy matters. Upon learning that it was the intention of the Government to revise the 1949 act, the board's study of the act was reviewed and brought up to date and its findings were submitted.

I do not want to be taken as being critical of the Government or of the Superintendent of Bankruptcy in saying that the bill before us deals only with one aspect that is raised by this brief. It may be that this is all that could be dealt with at the present time, and that more study is required in order to be able to deal with the other phases. What I say is that when all these people, who have had experience in this field for a period of years, say that inspectors serve a useful purpose, then at least there should be provision for the appointment of inspectors in the discretion of the creditors at the first meeting. In some circumstances they may say inspectors are not necessary, but there may be circumstances where they are necessary, and it is my opinion that such a discretionary provision should be in this bill if we are to carry through with the plan that is proposed.

We should also know more definitely what courts are to be specified in the various provinces, excluding Alberta and Manitoba which are specifically dealt with in the bill. What court is going to be designated as the court to be charged with the administration of Part X, the clerk of which will be the one who will deal first with the matter and who may then refer it to a judge of that court?

To me it seems so wasteful that basic experience gained over a long period of time in the administration of the Bankruptcy Act is now being abandoned, and the clerk of a court is to be designated—and we do not know which court it is in eight of ten provinces—as the one to deal with these debtors.

Debtors, even under this bill, can accumulate a tremendous amount of debt and still come under the provisions with respect to summary administration. The only limitation is $1,000, which means that each debt must not exceed $1,000. Therefore, when this bill becomes law I am sure that the salaried man who wants to go on a spending spree, or indulge in an expansion of his credit or a utilization of what credit he has, will still be free to do so except that he must keep a little closer account of the indebtedness he is accumulating and see to it that it does not become more than $1,000 in any particular place. That still gives him quite a large area in which to operate. He can then go to the clerk of the court and make his amends. This is regarded as being so simple and so unimportant that provision is not even made for the salutary check that inspectors might be able to put on such operations. Therefore, when this bill goes before the committee the time should be fixed, and there should be invited as witnesses not only representatives of the Board of Trade of Metropolitan Toronto or its committee, but also the registrars of the bankruptcy courts in the various provinces.

I should tell you that in 1949 when we studied the revision of the Bankruptcy Act the bill was introduced in the Senate, even as this bill is being introduced now, and the study was made in the Senate. We even had the bankruptcy judges in the different provinces come here to express a viewpoint based on their experience. We also had the registrars and lawyers who were experts in

practice under the Bankruptcy Act come before us. Therefore we had a wealth of experience and evidence to study.

Any revision of the Bankruptcy Act is a very important subject. We should thank the sponsor of the bill (Hon. Mr. Higgins) for telling us tonight that which is true in some ways—what one should not do if he wishes to avoid becoming a bankrupt.

I may express the opinion, honourable senators, that under the provisions of the bill, and under summary administration provisions as they exist, should you face possible bankruptcy and still want to go your way, if you operate within the limits provided, you may still be able to escape without ever being designated a bankrupt and with some orderly consolidation of your debts, under the auspices of the court, where you can have them worked out.

There is one limitation in this. Under the bill, if you ever get to the position where you come to the clerk of the court for a consolidation of indebtedness, thereafter, and until you have paid all your debts, you must not incur more than $200 of new debts. That puts a check-rein on the debtor. He can take one plunge and go quite a distance, but then he has to stay within the somewhat definite limits until he has paid his debts; otherwise, the consolidation order goes by the board and he is exposed to the full provisions of the Bankruptcy Act.

Since the word bankruptcy has been thrown around in this place and elsewhere, with secondary meanings, and even with fifth and sixth meanings, I think I should point out that the Bankruptcy Act is a nonpolitical statute. It deals with assets and liabilities of individuals and corporations and relates not at all to politics. It does not cover, nor has it jurisdiction in relation to, ideas or policies or parties.

Hon. Mr. Roebuck: May I ask whether there is any provision for the payment of the clerk or does he perform his services free?

Hon. Mr. Hayden: I think there is, but I did not go into detail of that kind.

Hon. Mr. Roebuck: It is rather an important point.

Hon. John J. Connolly: Honourable senators, what the honourable senator from Toronto (Hon. Mr. Hayden) said in conclusion is very true. A few days ago the Leader of the Government (Hon. Mr. Brooks) said that part of that mass of legislation which comes before Parliament every session has no political implications or connotation. Certainly this is a measure of that character. This is a bill with which the Senate is able to deal effectively, as we can give it the kind of study it needs. Having listened to the honourable senator from Toronto (Hon. Mr. Hayden) and, indeed, to the sponsor of the bill (Hon. Mr. Higgins), I think we all realize that we can give the bill the kind of study it deserves.

It was interesting to hear the sponsor of the bill say that part of the reason for this legislation arises from the fact that legislation of this character in Alberta was found to be *ultra vires* of the provincial legislature.

Honourable senators who come from the province of Quebec know that there is on the statute books of that province, and has been for many years, legislation called the Lacombe Law. That law has an effect very similar to this. I wonder if the officials in the bankruptcy office could enlighten us as to why the Alberta legislation might have been *ultra vires* and why this Quebec legislation—with which I was at one time reasonably familiar but about which I have forgotten a good deal—is not *ultra vires.*

Hon. Mr. Higgins: May I remind the honourable senator that the Manitoba law was passed in 1952. It would be in force still if it were not for the fact that Alberta passed an act in 1957 or thereabouts and got suspicious about its validity, and it went to the Supreme Court of Canada. If the Alberta legislation had not gone before the Supreme Court of Canada, the Alberta and the Manitoba acts would be in full force now. I did not wish to mention the Lacombe Law, as it is still in existence, but it still can be brought before the Supreme Court of Canada.

Hon. Mr. Connolly (Ottawa West): That is right. It is a matter which might well be raised in committee. There may be things about provincial legislation which, with appropriate amendments, might make it *intra vires* of the provinces.

I do not wish to take up the time of honourable senators with details, but I should like to suggest a few considerations for the chairman of the committee and for the witnesses who come to explain the measure we have before us.

For example, subsection (1)(b) of section 176 refers to the fact that at the first meeting the clerk will settle the amount to be paid into court by the debtor. This may well be the kind of summary treatment of the statement of debts to which the honourable senator from Toronto (Hon. Mr. Hayden) referred. I would think that the settlement of an amount of that kind might well abide a meeting of the creditors and, indeed, if inspectors are to be appointed, a meeting of the inspectors themselves.

Furthermore, despite the fact that this bill deals with small estates, there would be great

advantage, in the interests of the proper administration of legislation of this kind, in having a publication in a local paper of the fact that an application had been made for a consolidation order.

I am also a little concerned about the restrictive character of section 177, whereby a creditor is allowed to make certain objections to the matter that is filed by the debtor. It is a restrictive right that he has; and, without asking honourable senators to look at the section now, I would suggest, for the consideration of the committee, that not only should the items mentioned in section 177(1) be availed of for criticism by the creditor, but also any of the matters set forth in the debtor's affidavit as prescribed by section 175(2).

Speaking again to section 177, I would hope also that not only should the objections of creditors be sent to the debtor, but that also a copy of the petition should be sent to the debtor, so that if there is to be a hearing on the question of a petition, the person who is concerned should know exactly what the petition is and the words in which it is set out.

I suppose the sanction that is provided where it is required to make the consolidation order effective—and the consolidation order is referred to in section 181—is that if further debts are incurred, then the provisions of section 189 apply and an amending consolidation order can be made.

I do think, however, that what the senator from Toronto (Hon. Mr. Hayden) has said about the importance of inspectors is a very important consideration, and I would hope that the committee would give serious attention to the provision of inspectors in cases where they might be required. At least, an option should be given either to the meeting of the creditors or to the bankruptcy official who deals with the application to decide whether in a given case inspectors should be appointed.

Hon. Mr. Hayden: May I answer the question raised by the senator from Toronto-Trinity (Hon. Mr. Roebuck)?

In section 196(b) it is provided that the Governor in Council may make regulations "prescribing fees to be paid under this Part".

Hon. Mr. Roebuck: Yes. May I ask the senator from Toronto (Hon. Mr. Hayden) if it would not be possible to use the trustees in bankruptcy rather than the registrar in bankruptcy? I suppose registrars are usually established in the capitals of provinces, perhaps some distance away, while the trustees in bankruptcy, who are registered under the act, may be found in various localities of the province. Would it not be possible to use them, as we do now, rather than the clerk of the court?

Hon. Mr. Hayden: The objection has been that co-operating trustees who do not have to put up a deposit and have no inspectors to check them have, in instances, collaborated with the debtor. If you are going to make concessions to certain classes of debtors, then you must place the administration in hands that are not likely to be approachable for the benefit of the debtor. In other words, you must ensure that they are going to hew to the line. The moment you put in a trustee and require a deposit, you might as well leave it under the act as it is. I suggested the registrar of the court because he is in that category and has infinitely more experience than the clerk of any district court or county court throughout Canada.

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

Hon. A. T. Brooks: May I make one statement before the honourable senator adjourns the debate?

After listening to honourable senators who have spoken, I think we all realize that an amendment to the Bankruptcy Act is needed and it has come in very good time. I also think that the suggestion of the honourable senator from Toronto (Hon. Mr. Hayden), that we should take the time to call witnesses, perhaps from the different provinces, is a good one. I think we are fortunate in having Senator Hayden as chairman of our Banking and Commerce Committee, for he took such an active part in forming this act some years ago.

I noted that the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) suggested using trustees in bankruptcy instead of registrars. I also noted the objection raised by the honourable senator from Toronto (Hon. Mr. Hayden) at the beginning of his speech.

The clerks of our county and district courts, I think we all agree, are very responsible men. Whether we have a clerk of a county court or a district court, or a clerk of the Court of Queen's Bench, we certainly have a responsible person. It would seem to me that possibly the idea was to decentralize bankruptcy proceedings from the capitals of the provinces. A county court official, for instance, would know the bankrupt, he would know his creditors, and so on. I am merely mentioning these as some of the possible reasons why the legislation has been drafted in this way.

This is a nonpolitical bill, and I would be very pleased to have it go before the

Banking and Commerce Committee for consideration. I am sure a satisfactory time can be arranged for the purpose of bringing in witnesses from outside.

Hon. Mr. Croll: I still wish to move the adjournment of the debate.

Hon. Mr. Brooks: I did not mean to interrupt the honourable senator; I just wanted to make that explanation before the debate was adjourned.

Hon. Paul H. Bouffard: Honourable senators, the Lacombe Law of the province of Quebec has been mentioned, and I just want to make an explanation.

In Quebec, if you have a debt, you can attach a man's salary. The only purpose of the Lacombe Law is to make a distribution of the salary. It does not take into account any other goods the man may have, only that part of his salary, which may be attached, and which is then distributed by the clerk of the court. If a man wishes to go bankrupt, the Lacombe Law does not prevent it, nor does it prevent seizing any of his property if he has any. The Lacombe Law applies only to a man's salary, and to nothing else.

Hon. Mr. Choquette: What is the maximum exemption of his salary?

Hon. Mr. Bouffard: It usually depends upon the amount of the salary. In certain cases only one-third is seizable. In other cases it may be only one-quarter. I do not think it goes any further. It also depends on the man's family. It is only a part of the salary which can be seized and is distributable. He has to make a deposit with the clerk, and only that part of his salary is distributed.

Hon. Mr. Aseltine: Is that similar to garnishee proceedings?

Hon. Mr. Bouffard: No, it is completely different. It has nothing to do with bankruptcy at all. It is one good way of making a distribution of a man's earnings which can be attached, that is all; it does not touch anything else.

Hon. Mr. Roebuck: May I ask if the sponsor of the bill (Hon. Mr. Higgins) has the reference to the law reports when the act of the province of Alberta came before the Supreme Court of Canada?

Hon. Mr. Higgins: No, I have not. It is in the 1960 reports.

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

PRIVATE BILL

THE EASTERN TRUST COMPANY—SECOND READING

Hon. Donald Smith moved the second reading of Bill S-5, respecting The Eastern Trust Company.

He said: Honourable senators will see that the bill is a very simple one, its sole purpose being to add a French version of the name of The Eastern Trust Company. It provides that the company may use in the transaction of its business either the name "The Eastern Trust Company" or "Le Trust de l'Est Canadien".

This is one of a number of similar bills that have come before us in the last few years. Another such bill was given its first stage of passage through the Senate this evening. I think it is a trend which we will see more of as time passes.

It might be of interest to honourable senators if I were to indicate that this is not an ordinary trust company; this is a Nova Scotian trust company which was incorporated in 1893. It has continued to be a Nova Scotian company in so far as its directors are concerned, in that its president and fourteen directors out of twenty-six in all, are Nova Scotians. Many of them are quite well known to those of us from our province who sit in this chamber. My honourable friend from Westmorland (Hon. Mr. Taylor) may be interested to know that three of the directors are from his province of New Brunswick.

The company is one of some magnitude in our province, where a million dollars is a lot of money. The total assets under the administration of The Eastern Trust Company, according to its last report, amounted to $288 million. The company is growing very rapidly because its volume of business has more than doubled in the last ten-year period; and as an indication of the way in which the resources of the company have continued to be managed, I might mention in passing that the company has a consecutive dividend record for sixty-eight years.

It is of national importance too, because there are thirteen branches in Canada; all provinces are served with the exception of Saskatchewan. I do not know the reason for the one exception, but I think it might be remedied in the near future.

In view of the extensive operations of the company, it does seem proper to have a

French version of its name to use in the growing services to the French-speaking areas of Canada.

If the bill receives second reading, I propose to move that it be referred to the Banking and Commerce Committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Smith (Queens-Shelburne), bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, October 17, 1962

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

Prayers.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-63, to amend the Export Credits Insurance Act.

Bill read first time.

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

Motion agreed to.

PRIVATE BILL

THE NORTH AMERICAN GENERAL INSURANCE COMPANY—FIRST READING

Hon. A. K. Hugessen presented Bill S-6, respecting The North American General Insurance Company.

Bill read first time.

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

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE—MOTION FOR ADOPTION

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 2 to 306.

He said: As honourable senators will observe, these 305 reports are on the table for any honourable senator to read.

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

Hon. Mr. Roebuck: With the consent of the house, I move that the reports be considered now. Perhaps I may make some remarks in connection with them at this point.

These are the cases in which bills were passed by this house at the last session. They then went to the House of Commons and, as honourable senators will remember, they died on the Order Paper—327 of them.

These are the cases that have not been settled, including one in which the respondent is now deceased, another in which a petitioner has decided not to proceed, and some 19 in which the petitioners have not complied with the requirements of continuance. So there are 325 that are ready now to be reprocessed and sent over to the House of Commons.

I should say a word about the way this has been handled, at very considerable expenditure of time and with much difficulty. We passed a resolution, the vital point of which is:

> Resolved to report recommending that the Parliamentary fees paid upon the petitions at the last session apply to the petitions of this session without further payment, and that the advertising and service made for the last session be accepted as sufficient compliance with the Rules for the present session.

That was done in a general way because there was no desire to make fish of one and flesh of another. The rule will apply to all alike, but each case has been handled individually because there is a separate bill for each one which becomes a separate act of Parliament.

We gave notice to the parties immediately after the last session that at the beginning of this session, if they wished to proceed, they would have to notify us to that effect. In every one of these cases you will find a request that reads in these words:

> Please be advised that your petitioner desires to proceed with the said Petition and Prayer contained therein.

A good many months have gone by since the petition was first presented and the evidence taken, and therefore care has to be taken to see that we do not cause a bill of divorce to be enacted where the parties have come together and the offence has been condoned, and thus interfere rather than help. In each one of these cases you will find a solemn declaration which reads as follows:

> 1. That I am the Petitioner named in the above mentioned petition.
>
> 2. That I have not since the date of my declaration verifying the said petition condoned the marital offence or offences of the Respondent which I have alleged therein, nor have I since the said date had marital relations or lived or cohabited with the said Respondent.
>
> And I make this solemn declaration conscientiously believing it to be true, knowing that it is of the same force and effect as if made under oath, and by virtue of the Canada Evidence Act.

A solemn declaration in similar words will be found attached to each one of these reports.

The committee then in each case reports as follows:

> The Committee find that during the last session of Parliament a Bill of Divorce in this matter was recommended by the Committee and passed by the Senate, but owing to dissolution of Parliament the proceedings on the bill were not completed.
>
> The Committee again recommends the passage of an act to dissolve the said marriage based on the evidence adduced before the Committee at the last session, which evidence is submitted herewith.
>
> The Committee recommend that the Parliamentary fees paid upon the petition at the last session apply to the petition of this session without further payment, and that the advertising and service made for the last session be accepted as sufficient compliance with the rules for the present session.

I can assure the house that each one of these 305 cases has been examined and re-processed, and in each report there will be found that solemn declaration as to noncondonation, and a request from the petitioner that he or she wishes to proceed.

I move the adoption of these 305 reports.

The Hon. the Speaker: With leave of the Senate it is moved by the honourable Senator Roebuck, seconded by the honourable Senator Croll, that divorce reports Nos. 2 to 306, both inclusive, be now adopted. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Pouliot: Next sitting.

Hon. Mr. Roebuck: Why does the honourable senator say that? Does he wish to look into them?

Hon. Mr. Pouliot: I do not wish to be unpleasant to my honourable friend, but I missed some parts of his remarks, and I would like to be able to read them before giving my assent.

Hon. Mr. Roebuck: May I repeat them to you now?

Hon. Mr. Pouliot: No. I missed something, and I want to read the honourable senator's remarks quietly in my office. Next sitting.

The Hon. the Speaker: Next sitting.

CONFEDERATION

PUBLICATIONS ISSUED BY QUEEN'S PRINTER

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, may I draw your attention to some valuable publications that have been issued by the Queen's Printer, and which are available to all. I refer to the French and English edition of the *Debates of Confederation* of 1865. That book is out of print now, but a new edition has been issued by the Printing Bureau and I am sure that each one of you would like to have it, if you do not have it already.

I hold in my hand the O'Connor Report, which has been published also in French and English. It contains much data of interest and especially the up-to-date jurisprudence on constitutional cases.

There is also another book which has been published in both languages, entitled The British North America Acts and Consolidated Statutes of 1867-1962 by Dr. Maurice Ollivier, Parliamentary Counsel of the House of Commons.

I am not too insistent about it, but these are books which are available to you upon request and free of charge and I am sure you would like to have them for reference in your own studies.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from Thursday, October 11, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. M. Grattan O'Leary: Honourable senators, may I first add very humbly my congratulations to those that have been offered to His Honour the new Speaker of the Senate, and to the new Leader of the Government in the Senate (Hon. Mr. Brooks). May I also add my condolences to those which have been offered the Leader on the other side (Hon. Mr. Macdonald, Brantford) on the sorrow which came to him last week.

I should like to thank also all those honourable senators on both sides who have given me such a cordial and kindly welcome here. I would like to acknowledge especially the exaggerated tributes paid to me by the Leader of the Senate (Hon. Mr. Brooks), by my long-time friend, the Leader of the Opposition (Hon. Mr. Macdonald, Brantford), and by my old and very dear friend the honourable senator from Ottawa (Hon. Mr. Lambert). I can only say this to them, that it happens often in life that biographers are far greater than the subjects of their biographies. It is in that spirit that I accept the kindly things they have said about me.

Honourable senators, while I rise here with a mixture of awe and wonder to address this house, I still would like to remind you that my connection with the Senate, indirectly, at any rate, or in a small way, has been a very lengthy one. I notice that the senior member of the Senate was appointed back in 1926. Well, fourteen years before that, as a young reporter I was reporting and watching the proceedings of this house.

I remember the days when Sir Richard Cartwright was Government leader, and I have a very vivid recollection of Sir George Ross being brought into this chamber in a wheelchair, and speaking powerfully and dramatically from that wheelchair against Sir Robert Borden's naval aid bill of 1912—a speech which in fact resulted in the bill's rejection. Then on through the years I knew, and remember well, many other famous figures of this house: Raoul Dandurand; Charles Beaubien; Frederick Béique—a man of massive intelligence; Sir James Lougheed; my long-time friend, my hero of public life, Arthur Meighen, and many another—men who have given or gave to this chamber its memoried greatness, its old and just renown.

Honourable senators, there is something I would like to say to you, if you will permit me to do so. I was told on coming here that I was now coming to an atmosphere of relaxed and civilized sophistication. I was assured that the strident partisanship of another house—and they added, rather slyly, the strident partisanship of a certain editorial page in this country—had no place or bearing in a chamber such as this. Honourable senators, I think I should confess to you at once that I shall find difficulty in adjusting myself to an atmosphere of that kind. I am a party man, I am a partisan, I am a Conservative without prefix or qualifications.

Some Hon. Senators: Hear, hear.

Hon. Mr. O'Leary (Carleton): I believe in the two-party system. More than that, I believe that much of the political uncertainty and instability in this country at the present time stems from the fact that too many Canadians have forgotten what the party system is about, and too many Canadians have gone about year after year scoffing at it and deriding it. I think it is an interesting reflection that for one hundred years, from the day of Lincoln to the present time, the United States has managed to maintain its major two-party system and has fought off all challengers to that system by third parties, by splinter parties, by groups or by factions. I think that the reason may be found in the fact that the American people, the leaders of public opinion in the United States, understood what their two-party system meant and were resolved to maintain it.

I myself have gone to a number of political party conventions in the United States. The last one I attended was in Philadelphia, in 1948. It was a Republican convention. There were, of course, the usual antics which we Canadians have a habit of decrying, but, honourable senators, on the floor of that convention as ordinary delegates were the presidents of sixteen American universities, the leaders of the professions, the leaders in law, in industry and in commerce. At a convention a few years before there was a spectacle of that great and distinguished lawyer, John W. Davis, sitting, not on the platform but on the floor of that convention taking an active part in the routine proceedings.

Honourable senators, I have attended many conventions in Canada, going back to the days when I was a young reporter—in the days of Sir Wilfrid Laurier—and I have not seen on the floor as delegates the leaders of our professions, the leaders of the Bar in Canada, our eminent bankers, or our great captains of industry, although afterwards they were heard to condemn politics, to decry politicians and public men. This, honourable senators, I believe firmly has been in large measure responsible for the cynicism regarding parties and politicians and public men which exists among our young people in this country. The oldsters have simply not set them an example.

And while I am condemning businessmen, I am not going to forget my own profession. Thomas D'Arcy McGee once pointed out that at the time of Confederation there were one hundred public journals in this nation discussing politics and public affairs. Well, we have more than one hundred daily newspapers in Canada at the present time, but I ask you to look over their political designations and I venture to say that ninety of the one hundred would put themselves down as independent, which in most cases means that they are merely neutral, that they have no opinions at all and are afraid to stand up and be counted.

A few years ago I was vacationing in a certain province of this country where a provincial election was being held. I was anxious to find out what the election was about and so every morning I studied the editorial page of the leading newspaper in that province. For three weeks not a single reference appeared on that editorial page about the election, but on the day before the voting that particular paper carried a long editorial on the fate of democracy in Bulgaria.

Honourable senators, I repeat, I am a Conservative without prefix, without qualifications, and I do not believe that this chamber or any other chamber in the world could give to legislation the true, objective, ethical examination it should have unless the members of that legislature or chamber did hold those definite political opinions. Surely it is only a matter of applying your philosophy, of trying to adapt your philosophy to the legislation in question. I am going to have a few words to say later about something that was said the other day by the Leader of the Opposition (Hon. Mr. Macdonald, Brantford). One thing I want to make clear is that I have not come into this chamber to turn myself into a political eunuch, and I have no intention ever of running about with those people with open minds, some of their minds so open that their brains fall out.

We hear much about the business of democracy, the principle of democracy, being the right of choice. Well, it is the right of choice, but also, and more important, it is the burden of choice, the responsibility of standing up and being counted, and I think that in a forum such as this there should be some opportunity for education for our young people in Canada about their responsibilities and about what parties mean to this country.

As for myself, I wish to God sometimes I had time to instruct some of our newspaper people on what the party system has meant to the press. Had it not been for the party system in England the so-called free press would not have existed at all.

And now, honourable senators, I should, I suppose, come to the Speech from the Throne which is the main subject of the motion before the house.

About the address I only want to say this: I think that we can only consider the Speech from the Throne in a realistic or useful way when the legislation which stems from it comes before this house.

I know it has been said we have to give special attention to legislation coming before us because it may be minority legislation, and I shall have something to say about that later on.

I have been meeting people in this chamber and I have been meeting people in the city who say they find the Speech from the Throne dull. They say, "We don't find anything new in it, there is nothing startling, there is nothing to excite the people of Canada." Honourable senators, I wonder what people want in a Speech from the Throne. Do they honestly believe that any government, Liberal, Conservative or of any other ideological stripe, can at this time in the context of our world come forth with a program guaranteed to cure quickly all the ills that afflict us?

This has become one of the prevalent superstitions of our time, the superstition that a government has the power and capacity to bring in legislation today or tomorrow that is going to relieve us not only of the difficulties which beset us as a people, but cover up all our individual foibles, our individual faults, and our individual failures.

This, I say, is one of the superstitions of our time and it is an evil superstition. It is a superstition which, believing that the Government is some great white father who can bring manna from Heaven for all of us, is sapping the vitality and the life of this country, and I am afraid sapping the vitality of the nation itself.

I myself am always amazed at the things Government can do, at the things they have done over the past five years. When I look at the program of the Government I am truly amazed at what they have been able to do. However, my amazement is almost equal when I see how little they have been able to accomplish in telling the public what they have done. This is one of the most curious things about this Government. Active in every way, vigorous in every way, they seem to have been completely inarticulate when they came to telling the people of Canada just what they had done. I do not know, I do not think any man in this country is wise enough to know, what could be done at the present time to relieve, to cure, so many of the ills that are afflicting us. There are no economic wonder drugs to cure quickly all the ills of Canada at the present time; and any party, any government, which comes and tells the people of this country that they have the answer to all our problems are not playing fair with the Canadian people, and are laying up trouble not only for themselves but for the whole democratic system.

I leave that and I come for a moment to something that was said the other day by my esteemed and revered friend, the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford). Incidentally, I must say that he showed himself to be a most delightful partisan when he spoke. I was intrigued by the joyousness with which he told us how in the last election his party had won an overwhelming victory and how our party had suffered an overwhelming defeat. I must say that the alchemy of his thought and the processes of his logic by which he reached this conclusion were a bit staggering. He said that 63 per cent of the people had failed to vote for the Conservatives, and that was a catastrophic defeat; that

63 per cent had failed to vote for the Liberals, and that was a glorious victory!

What intrigued me even more was his statement that because of the situation which now exists in the House of Commons he and his fellow senators—and he gave this advice to all of us—must proceed to treat legislation coming before us here in a different way, to give it a sharper examination and to look at it in a different light because, he said, it would be "minority legislation." The honourable senator from Gormley (Hon. Mr. McCutcheon) answered this, I thought, effectively the other day; but there is something else I would like to say.

Why all this wonderment, why all this amazement about what is called "minority government"? There is nothing strange, nothing new, nothing mysterious about minority government. In the very fatherland of parliamentary government they have had minority governments again and again. Mr. Pitt governed England for many years; he never had an organized parliamentary majority behind him. In the 1890's Mr. Gladstone had two governments that were in a minority—actually dependent on the Irish Nationalists of Mr. Parnell. I see that my most esteemed friend shakes his head; but we can discuss that some other day. Of course, there is in Canada a classic example, that of Mr. Mackenzie King.

So what is all this worry about now? I do not think minority governments are good, but they are not so desperate that legislation emanating from the House of Commons at this time must be looked at in a special light. As the honourable senator from Gormley (Hon. Mr. McCutcheon) pointed out, there can be no such thing as minority legislation. If it were minority legislation, it would never come before us at all. It has to have the support of the majority, and if it comes here with the support of the majority, are we going to look at it and say that the test you should apply to this legislation is: who voted for it in the other house; what were the political labels of the people who gave it a majority vote? Surely that would reduce this chamber to an absurdity.

The honourable leader then discussed the Common Market. This is a pet subject of mine, and I was delighted to hear him on it. I was glad that he mentioned the Common Market, because it gives me an opportunity to say things I think should be said in this house.

One of the first things that should be said—and I do not say it offensively—is that in Canada discussion of the Common Market has been almost wholly illiterate. Most of the people who were criticizing the Common Market had not taken the trouble to find out what it was about. When one spoke to them about the Rome Treaty, judging by their comments some seemed to think this was a pact between Pope John and the Archbishop of Canterbury.

What is the Common Market? Primarily it is a political instrument seeking political union in Europe, through the devices of fiscal and economic measures. If anyone doubts that, I would advise him to read what was said only three days ago by Mr. Macmillan, the Prime Minister of England, or to read Mr. Spaak; and if that does not convince him that this is a political instrument, a political organization, first, last and all the time, then let him read what was said about it last week by Professor Hallstein, who has been and is today the chief architect of the Common Market.

However, honourable senators, I am not concerned with that; that is not Canada's concern. What I am concerned with is the position of Canada with respect to the Common Market. There are people in England, like Professor Harrod, the distinguished economist at Oxford and the biographer of John Maynard Keynes, who hold with force and vigour that the Common Market is a statistical illusion. There are men like Professor Jay who hold the same view; and there are in England deep thinkers like Sir Arthur Bryant, who believe that if England joins the Common Market this will be a retreat from greatness, this will be an apostasy of England's past, and this will be a sale of the commonwealth birthright for an uncertain mess of pottage. I am concerned with the misrepresentation, the confusion and the distortion of the position of the Government of Canada with respect to the Common Market that have arisen in this country over the last year.

Let us see what has happened; let us go back through the record—and I shall do it very briefly. When, two years ago, the British Government decided they should explore the possibility of their joining the Common Market they came to us and asked—as they had a duty to do, because we are a commonwealth partner—whether we had any opinions to offer. Well, we did have opinions to offer, and there was a meeting at Accra. You know what happened there.

We went to Accra as a commonwealth partner with other members of the Commonwealth to tell the British ministers what we thought might happen if Britain joined the Common Market, or joined it without safeguards for our particular trade. And what happened in this country? There was an outcry, "How dare Canadian ministers go to Accra and talk that way to British ministers?" This was the mood and this was the spirit.

We were firing on the Guards. And our press, including even some of our Conservative press, joined in this hue and cry.

Now, honourable senators, I am quite well aware that there are a few remaining people in this country still wet with the spray of the deluge, who think that if it is raining in the Strand we ought to turn up our trouser legs on Sparks street. But what are we to say of informed public men using nonsensical arguments like that, telling the house, of course Canadian trade will be affected, of course there will be injury to $700 million worth of exports, but we must let the British decide? But the British, to give them credit, did not say that. After Accra they went back to the British Parliament for a mandate, for power to go to Brussels and see what they could do. This is the resolution that was passed by the British House of Commons on August 3, 1961, and I would ask you to listen carefully to the wording of it because it comes into my argument later:

> That this house supports the decision of Her Majesty's Government to make formal application under Article 237 of the Treaty of Rome in order to initiate negotiations to see if satisfactory arrangements can be made to meet the special interests of the United Kingdom, of the Commonwealth, and of the European free trade association; and further accepts the undertaking of Her Majesty's Government that no agreement affecting these special interests or involving British sovereignty will be entered into until it has been approved by this house after full consultation with other Commonwealth countries, by whatever procedure they may generally agree.

Now that was the mandate they got. That was the undertaking they gave, that nothing would formally be done until they consulted with the Commonwealth, and the manner of consultation subsequently agreed upon was the Prime Ministers' Conference held in England two months ago.

In the light of the resolution passed by the British House of Commons and the authority that Mr. Macmillan and his ministers had, who will argue that Canada had no right to have its Prime Minister at this conference? That is why the conference was called, to get a progress report or an interim report up to that time. British ministers had been assuring us repeatedly that nothing would be done to affect adversely the vital interests of the Commonwealth. Mr. Duncan Sandys at the Conservative party conference put his hand over his heart and said, "I will swear I will leave British public life before anything is done to adversely affect the vital interests of the Commonwealth." Mr. Macmillan gave us a pledge that if there was a choice between the Commonwealth and the Common Market there was no doubt where he stood. He is not talking exactly that way now, but that is the pledge he gave.

Incidentally, before I forget it, there was a communiqué put out some weeks ago, after the Prime Ministers' Conference, which contained certain statements signed by Her Majesty's Government in Britain. I ask you to read that communiqué and then read the discussion that took place the other day at the Conservative party conference in Wales—"E.E.C. or bust". That was the spirit of that conference. There was nothing about Commonwealth vital interest. And in the speech by Mr. Heath, which was described by Mr. Justice Frankfurter as the finest speech in structure of modern times, what does he say? I have here the exact quotation, and this is almost unbelievable in the light of what has happened since. He said that "under no circumstances can we enter the Common Market unless the vital interests of the Commonwealth partners are protected."

Now in those circumstances, surely it became not only the right but the duty of the Prime Minister of Canada to go to this conference and see how far we could go. That is what happened.

But what was happening over here while Mr. Diefenbaker was in London? Over here an effort was made to stab Mr. Diefenbaker in the back. Everybody knows that. I have the proof of it right down in my office. I can show you that on the very day when two scurrilous journalists in London, one unfortunately on the old London *Observer*, the old organ of J. L. Garvin, and the other the London *Daily Telegraph*—What were they saying about Mr. Diefenbaker? The London *Observer*, of all papers, said Mr. Diefenbaker was speaking for "yokels on the prairies". Honourable senators, those "yokels on the prairies" are the people of whom Kipling wrote after the First World War:

> From little towns in a far land we came,
> To save our honour and a world aflame.

Then the *Observer* went on to speak of Mr. Menzies and said Menzies was followed by an array—I think the writer used the word "horde"—of Africans and Asians. This is the spirit of the Empire prevailing in London by those who are trying to isolate Mr. Diefenbaker, the Prime Minister of Canada, from the others.

On the very day those attacks appeared in the London Sunday press, other London

Sunday papers were heavy with headlines from Canada of what other people in Canada thought of Mr. Diefenbaker.

Since when has it become the policy of the Liberal party of Canada that matters affecting the jobs and lives and property of Canadian people should be left to the decisions of Whitehall and the bureaucrats in Brussels? That is the policy, and I have mountains of quotations to prove it. This will, of course, be denied, and the Leader of the Opposition will be in a position of being able to quote himself on all sides. He began by saying, "Why don't we join with Britain?" And having been told that this could not happen, he said, "Let us have an Atlantic trade community". And when the President of the United States knocked that into a cocked hat, he then proceeds to say, "We will take in everyone". And when the Prime Minister of Canada comes home to Canada and says we have something of that kind, Mr. Pearson gets up and sneers at him.

I know, or I believe I know, that Britain is going to join the Common Market. I think it is a sad thing that ministers of a British government should come to this country over the period of a year and give the unqualified pledges they gave to the Government and people of Canada and now simply disregard them. This is the truth, and it cannot be denied. As I said a moment ago, look at the communiqué issued by the Prime Ministers' Conference, and compare that with the speeches made in Wales the other day. If that is not an exercise in cynicism, then I do not know what it is.

You may ask: What do you believe in? Well, what I believe in is this, that if Britain joins the Common Market we must find trade wherever we can find it, and I think that the Prime Minister has put forward a program that is capable of being worked out.

Something was said by the honourable senator who leads the other side of this house (Hon. Mr. Macdonald, Brantford) about a growing distrust in Canada and a loss of faith in this country. He quoted two examples and then proceeded to argue from the particular to the general, and to say that if these two institutions have lost confidence then all others must have lost it too.

Honourable senators, I have been reading and studying the debates of the other place on this so-called loss of confidence in Canada. One of the reasons given was that the Prime Minister during the last election withheld the truth from the Canadian people. Now, this is a most serious charge. It is called, as a matter of fact, by the people making it, a major fraud. This is very strong language. I recall in the days of Sir Robert Borden, when he said that a certain statement of Sir Wilfrid Laurier lacked the essential elements of truth, a lot of people were shocked. They now use a five-letter word—fraud. I think that that sort of language, and that sort of charge, without substantial evidence behind it, is another reason why the young people of this country are losing faith in our party system.

I spoke of evidence. I am looking across this chamber and I see before me, not only four of the most famous senators, but four of the most famous lawyers in Canada. These honourable gentlemen surely know the rules of evidence. I ask them to go over the debates of the other place and to read the charges that have been made there, and then ask themselves if any of these charges are supported by what they regard as admissible evidence. There is conjecture, suspicion, and so on and so forth, but there is nothing concrete to say that a certain person on a certain occasion did something that has brought about a loss of trust in the Government.

One of my famous ancestors who bears my name, John O'Leary, an old Irish revolutionary, once told W. B. Yeats that there were some things that a gentleman would not do for his country. Honourable senators, there are some things that politicians may not do for their party, and one of them, I submit, is going about the highways and byways charging major fraud unless they are able to back up the charge with evidence. I am willing to look at the truth. I have looked at these charges. I have examined them as objectively as I could, and nowhere could I find a shred of evidence to back them up.

The other day the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) said, "There is a lack of trust in Canadian business". I often wonder if those people who are going about at this time talking about Canada being in stagnation and talking about the wasted years ever read the financial pages of their own newspapers. Is there to be seen on the financial pages of the morning papers any evidence that Canada is going to the dogs? What is to be seen there is the precise opposite.

In the Liberal party at the present time there is an economic prophet, a Mr. Walter Gordon, who, honourable senators will recall, headed the Royal Commission on Canada's Economic Prospects. At the close of the report of that royal commission Mr. Gordon and his associates went into the realm of astrology and presumed to horoscope what would happen to Canada in the next twenty-five years. It is well known that one of the things predicted was that by 1965 the gross

national product of Canada would reach $39.5 billion. Honourable senators, do you know what the gross national product is now? In 1962 it stands at $39.4 billion, and there are still three years to go. The per capita gain in the gross national product since 1957 has been $63 annually. Such facts absolutely upset all these nonsensical things that are being said.

Unemployment—oh, yes, it has been bad, worse than it should be. In August of this year unemployment in this country stood at 4.1 per cent. Mr. Gordon, in his report, quoted some of the leading authorities in the world as saying that when you get to 4 per cent you have practically no unemployment. Do you realize that unemployment on the prairies is down to 1.6 per cent, and that the highest unemployment in this country is in the Maritime provinces, where it is 6 per cent? If you look at the New York *Times* of yesterday you will see that in the great state of Pennsylvania unemployment at the present time is 6.3 per cent.

What is the worry about? All they say is: you have devalued the dollar. Is there anything remarkable about that? Over the past ten years seventy countries have devalued their currencies. Japan is a prosperous nation and we hear every day of its prosperity, but it is trying right now to devalue its currency. England is in trouble, and the United States is also having trouble. This has nothing to do with the basic prosperity of this country. Our fields, our forests, our mines, our nickel, our aluminum and our asbestos are all there. They have not gone away. Do you think the sophisticated investors of the world are not aware of all this? Do you think that they are not aware of Canada's position? Or do you think that they have, in fact, lost faith in us? We know it is not true to say they have lost faith in us. We know it is not true because we have more respect for the knowledge and the intelligence of the people whose business it is to find out about these things.

Honourable senators, I have wandered too long, and I am about to make an end, but there is just one more thing I would like to say. While I say to you that everything in Canada is reasonably prosperous, I would not like to conclude by saying that everything in Canada is well and that everything in Canada is going to be well. I think that we are in for some hard, stormy weather ahead. That is the kind of world we are in. Matthew Arnold once wrote a striking couplet: "Standing between two worlds, one dead and the other struggling to be born." In the context of that new world, the world that is struggling to be born today, in a world in torment of transition, in a world where peace seems to be but a pause to identify the enemy, we must be prepared for difficulties, regardless of the kind of government we have. I do not think any government can ever be powerful enough or wise enough to meet all the difficulties which we shall encounter in the next ten or twenty years.

We must rid ourselves of this fatal illusion that security and prosperity can be achieved without toil and without sacrifice. It may be that over the past twenty years we have had too much sail on the ship. I wonder how often Canadian people sit down and try to understand the significance of this, that since World War II we have spent roughly $30 billion on defence. If that does not give us cause for thought, we are not worthy of our democratic heritage.

I think it is true that we are living not merely on our financial capital, but on our spiritual capital as well. Fifty or more years ago James Russell Lowell warned the American people that the greatness of a nation must be weighed in scales more delicate than the balance of trade. That is a warning which is a challenge for us today. I am convinced that we Canadians have become all too obsessed with what somebody has called "expense-account civilization".

I have spoken too long and I have wandered too much. I thank all honourable senators for having given me their patient and indulgent attention. I can but hope that I have not dimmed too much what John Morley once called "the lamp of loyalty to reason".

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

The Senate adjourned until tomorrow at 3 p.m.

27511-5—7½

THE SENATE

Thursday, October 18, 1962

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

Prayers.

PRIVATE BILL

CANADIAN PACIFIC RAILWAY COMPANY—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-4, respecting the Canadian Pacific Railway Company;

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hugessen: I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hugessen reported that the Standing Committee on Transport and Communications had considered Bill S-4, respecting the Canadian Pacific Railway Company, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Walter M. Aseltine: Honourable senators, I do not usually ask for favours, but sometimes I am more or less compelled to do so. There is some urgency about this measure in view of the fact that upon its passage through Parliament the Canadian Pacific Railway Company wishes to construct the line this fall, in order to be in a position to transport the potash that is now being manufactured at the plant. We had a very satisfactory meeting of the Transport and Communications Committee this morning on this bill, and I hope that the chairman will say something about it.

My purpose in rising now is to ask leave of the Senate to move that this bill be given third reading today. If it is not read the third time today it will have to go over until Tuesday night, and will not be dealt with in the other place much before the end of next week.

I move with leave, seconded by Honourable Senator Hnatyshyn, that the bill be read a third time now.

Hon. Mr. Hugessen: Honourable senators, as the honourable senator from Rosetown (Hon. Mr. Aseltine) has just mentioned, we had a very satisfactory meeting of the Standing Committee on Transport and Communications this morning, and a most interesting discussion with respect to this bill.

In form, this is a very simple bill, providing for the building by the Canadian Pacific Railway Company of a short branch line in the province of Saskatchewan to a point about 15 miles to the southeast of the village of Bredenbury, which is on the C.P.R.'s line between Winnipeg and Saskatoon, to service the plant recently constructed by International Minerals and Chemical Corporation to recover potash from that area. The total cost of the line is estimated at about $600,000.

As I have said, this plant is situated about 15 miles away from the Canadian Pacific Railway Company's line. The question was raised in committee as to why this line was necessary, inasmuch as the area is already served by quite a short branch from the main line of the Canadian National Railways between Winnipeg and Saskatoon. The committee was quite satisfied, I think, as to the desirability of building this second line, not only because it will serve a very large industry on which $40 million has been spent, but for another reason relating to the particular product it is going to transport.

Potash, apparently, has to be shipped in special cars called "covered hopper cars". It is expected that, when the plant is in full production, over one million tons of potash will be shipped from the plant each year.

We were told that neither of the two railway companies has enough of these covered hopper cars to meet the demands of the industry. In other words, it will need not only all the covered hopper cars both railways can supply, but the company will also have to hire privately an additional supply of these cars. That strikes me as being a good reason why a Canadian Pacific line should be built there, in addition to the Canadian National line which is there already.

We were told a most fascinating story about this potash discovery in the province of Saskatchewan. Apparently there is a bed of potash extending over an area of two to three hundred miles through the middle of Saskatchewan, sufficient to supply world demands for potash for the next 200 years.

There are considerable difficulties about getting this potash out because it lies more than 3,000 feet underground. We were given a description of the work which this company has done during the last five years, in boring down, under the most troublesome conditions and through some of the most difficult terrain, to get to the potash at the bottom of this 3,000-foot level. It was a gamble and luckily the gamble appears to have paid off because in June of this year, for the first time, the company got its borings down to the 3,000-foot level and produced its first potash.

I think this is a venture which should be encouraged. It is heartening to everyone to know that the province of Saskatchewan will have this considerable industry to depend upon in the future, in addition to its original basic industry of wheat, and its oil which has been discovered in the last few years.

The company which has done this mining is a wholly-owned Canadian subsidiary of an American corporation called International Minerals and Chemical Corporation of Illinois. As I have said, it has worked five years on this gamble and spent $40 million. When it gets into complete production it expects to ship 1,200,000 tons of this potash annually. The company employs about 400 people in the town of Esterhazy, Saskatchewan.

This development gives us cause for reflection. Sometimes we are critical when American capital comes in here, but I would like to ask honourable senators what Canadian industry would be in a position to gamble $40 million over a period of five years in the way in which this corporation has. I think they should be encouraged.

Some Hon. Senators: Hear, hear.

Hon. Mr. Hugessen: There is a further consideration, namely, our international exchange position. They tell us that as a result of the production and sale of this potash, a very large proportion of which will go outside the country, the exchange position of this country will be benefited to the extent of $17 million a year.

For those considerations, honourable senators, I think the committee was fully and unanimously satisfied in recommending this bill for the favourable consideration of the Senate.

Motion agreed to and bill read third time and passed.

ADJOURNMENT

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, October 23, 1962, at 8 o'clock in the evening.

Motion agreed to.

LAND USE

SPECIAL COMMITTEE APPOINTED

Hon. A. J. Brooks: Honourable senators, I move the following motion standing in my name on the Order Paper:

> That a special committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people, and, in particular, to increase both agricultural production and the incomes of those engaged in it;
>
> That the committee be composed of the Honourable Senators Basha, Boucher, Buchanan, Cameron, Crerar, Emerson, Fournier (Madawaska-Restigouche), Gershaw, Gladstone, Higgins, Hollett, Horner, Inman, Leonard, MacDonald (Queens), McGrand, Méthot, Molson, Pearson, Power, Smith (Kamloops), Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Veniot and Welch.
>
> That the committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;
>
> That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;
>
> That the evidence taken on the subject during the seven preceding sessions be referred to the committee.

Honourable senators, it is not my intention to speak at length on this motion, which I know is so well understood by all senators present.

The Special Committee on Land Use has been functioning for seven sessions, and we are asking that it carry on for another session at least. As the motion sets out, the committee is asked to report on land use in Canada, what should be done to ensure its best use for increased production, and to assist in increasing the income of our farming population.

I am sure that the work of this committee over the last six or seven sessions speaks for itself. It has done an excellent job in recent sessions under the chairmanship of the honourable senator from Lumsden (Hon. Mr. Pearson), and in previous sessions under the chairmanship of the honourable senator from

Gulf (Hon. Mr. Power). The work this committee has done is a fine example of what can be accomplished by Senate committees. As honourable senators well know, the committee has been so effective that some of its recommendations have been adopted by the Department of Agriculture, and also have been warmly approved by all provinces of Canada.

Just a few days ago in the other place the Minister of Agriculture, in presenting his report on the ARDA program, stated how well the report of the Special Committee on Land Use had been received by the provinces. He remarked that all ten provinces had signed agreements with the federal Government. The agreements contain forty different types of projects which are to be carried out in each of the provinces. It was also stated that $50 million was the maximum amount which the federal Government had approved for this particular work. Three years, I believe, is the time provided in which to carry out certain pilot projects and also research.

I am sure that all honourable members feel that the work of this committee is well worth while and we are all satisfied that the committee should be continued for another session. Personally, I think it should be reappointed now and probably should be continued for many sessions to come.

Many changes are taking place in farming operations in this country, as a result of which new problems arise; and a committee such as this can do an excellent job. To my mind its work is linked up not only with agriculture but with trade and commerce, and I can see it could be very well linked up with immigration, because the many millions of acres of empty land in Canada cannot be left idle too long. When we think of people starving in other countries we realize the land of the world must be made productive to feed the people.

So, honourable senators, I can see how a committee of this kind can do excellent work, not only at present but for years to come.

Hon. W. Ross Macdonald: Honourable senators, when this committee was re-appointed last session I was fearful that it might terminate with that session, and I expressed the wish that it would be a continuing committee.

For once, I am grateful to the Government —for continuing this committee throughout this session. I join the Leader of the Government in the hope that the committee will continue for some time to come because there is a great deal of work to be done with respect to the proper use of land.

The committee has wide powers; it is limited in no way by its terms of reference. Last year I made certain suggestions as to what studies the committee could undertake, and I learned that it had given consideration to the various subjects I had mentioned.

I remember that when the committee was set up over seven years ago the then Prime Minister, Mr. St. Laurent, was very interested in its work. If I remember correctly, the late Senator Godbout was its first chairman.

Some Hon. Senators: Senator Power.

Hon. Mr. Macdonald (Brantford): I stand corrected on that, but I remember that Senator Godbout's name had been mentioned as the first chairman. He was an outstanding agriculturist but unfortunately his death intervened, and he never became chairman. The honourable senator from Gulf (Hon. Mr. Power) became the first chairman, and he was succeeded by the honourable senator from Lumsden (Hon. Mr. Pearson).

The membership of the committee has been largely the same throughout the last seven years. As is natural, there have been a few changes. This session there are only three new members. They are the honourable senator from Medicine Hat (Hon. Mr. Gershaw), and two honourable senators from the Maritimes, the senator from Madawaska-Restigouche (Hon. Mr. Fournier) and the senator from King's (Hon. Mr. Welch).

The committee is truly representative of the provinces right across the country. It has done excellent work in the past, and I am sure that it will continue to do so. Therefore, I am most happy to associate myself with the honourable the Leader of the Government in seconding the motion which he has moved.

Hon. Arthur M. Pearson: Honourable senators, during the last session of the Twenty-fourth Parliament the Special Committee of the Senate on Land Use held five meetings. Though the committee had arranged for many more witnesses to appear before it, quite a number of those witnesses found it difficult to make their arrangements for the later dates; and in the meantime Parliament was dissolved. Thus, we were unable to bring in our final report for last session. For that one reason it is felt this committee should be re-formed, and that it should bring in such a report.

Honourable senators will remember that among the recommendations made in the report placed before this honourable body in 1961 there was one in particular, that the committee should be reconvened each session. As the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) has just mentioned, it is felt the committee should be of a continuing nature because of the tremendous amout of work that can be done by it.

Another recommendation the committee made was as to "the state and incidence of rural taxation". It was felt that the committee should retain a research team, or teams, to assemble data, make a comprehensive study and report to the committee. The steering committee felt that we should make a study of taxation in rural areas—taxation on woodlots, on lands adjacent to large cities, and so on—and ascertain the effect it has on the agricultural income of the different areas.

If we tackle such a program this session I believe that we will be doing a great service to the country and to farmers in particular, because our study will be concerned with taxation on lands and forests. In some areas it has become very difficult to keep up the net income of the farm because of the taxation for education alone. For that reason I believe a study of this situation could be very effectively done by the special committee at this time.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, having been a member of that committee for several years, I am pleased to support the motion of the Leader of the Government to reconvene the Land Use Committee. But at this time, I am more particularly thinking about the farmers in eastern Canada, and I mean those from Quebec city to the Gaspé peninsula, as well as those in the Maritimes. I heard industrialists, workers, wage earners and even white collar workers often say that farmers in that area were paying very little if any income tax. But how can a farmer whose income does not exceed $1,200 per year pay income tax and support his wife and children?

In my opinion, the issue now is whether we will find ways to develop our inadequately used lands, and our farms that are too small. We realize that formerly the first settlers in our country settled in the eastern provinces. However, what can be done in this day and age with 80- and 100-acre farms? On the other hand, the western farmers who came in later, are now capable of purchasing a better farm because they have modern production equipment, they rely on mechanization, and their equipment enables them to obtain substantial crops.

I must say that I am very happy that the western farmers enjoy such a favourable situation, and I am not at all envious, nor jealous of them. But, when their crops are too big and their production cannot be marketed, the Government makes advance payments to them. On the other hand, when the crops are very bad, the Government gives them a certain amount. When the season is too short and snow falls on the unharvested crops, the Government again has subsidies for them.

As for eastern farmers, whether they have a good or a bad crop, they get absolutely nothing from the government, and they have to live just the same.

However, there are many places in the eastern regions, where farms could be developed and transformed so as to grow something else than fodder plants for the dairy industry which seems to be the main industry in the east.

The Minister of Agriculture just told the eastern farmers, because it concerns them especially: "If you cannot limit your dairy production, we shall have to cut down the subsidies". I wonder what will be left to them because they will have to change their methods and, as the senator for Carleton (Hon. M. O'Leary) said, it is impossible to transform the whole nation's economy in a jiffy, in one year. In order to do so, we must get the counsel of qualified people, theorists as well as experts, so that we can examine the situation thoroughly.

I wonder whether it would not be in order to add to the motion we have before us at the present time a paragraph stating that the committee would have the right to direct some of its members to undertake field studies of certain problems, in co-operation with federal and provincial authorities, and especially with those who are in need. The needy often find answers of which we would never have thought.

When I visit the eastern provinces, and see what our ancestors have done for the country, and then cross the fertile western plains, I feel anguished for a moment, as I ask myself what will become tomorrow of that part of the country, our home, which was opened first. If things continue as they are now, I fear that a book written at some future date, might well bear the title: "The Dying Land."

However, if we are willing to recognize the extent of the problem and, with those who are immediately concerned, work towards its solution, we will surely find a means of rehabilitating our farmland by making it as fertile and beautiful as in years gone by.

Industrial markets should be set up where farmers could sell their products. Everyone knows that grain is being produced in western Canada. At first an industry related to grain production was developed, that of cattle breeding. Packing houses were built near those production centres. Grain is being used to feed cattle sold on the overseas market. Everyone knows that westerners have a better standard of living than easterners; why make a secret of it? In the east, mainly in the province of

Quebec, there is only one large centre, the city of Montreal. One third of the Quebec population lives in the Montreal area. There are packing houses there, but further east, there are very few packing houses if any. You may not know that when the eastern farmers wish to send livestock to the packing house in Montreal, the average cost is from $12 to $15 higher than that paid by the western farmers to ship their livestock to Montreal.

Earlier the honourable senator from Lumsden (Hon. Mr. Pearson) was speaking on taxation systems, or something in that line. It seems to me it should be possible to consider the problem as a whole, so as to find the organizations that could help our farmers, which would enable them not only to go in for dairy farming and cattle breeding, but also to promote forestry operations, and to help those farmers to drain their lands.

In my region, in the lower St. Lawrence, where lands are practically unproductive, because hundreds of acres of land would have to be drained, it is easy to realize no farmer can achieve that all by himself. It is only through an agreement between the federal and the provincial governments that such draining could be achieved and the fertility of these lands increased. That is no pipe dream.

Let us consider what is happening elsewhere, in Italy, for example, by the drainage of the Pontine marshes. Those marshes extended over hundreds of acres of waste land which, in addition, swarmed with germs and disease-spreading insects. This project was achieved within a year by a dictator. I am convinced that one day, under our democratic system, through co-operation and good sense, without a dictatorial government, we will successfully achieve a similar project. That region of Italy, formerly known as Cain land, is today one of the most fertile. This is an example of people who made a thorough study of the problems involved.

It is sometimes said that we, in the Senate, are thinkers, real thinkers. Yesterday, an honourable senator said: I am a Conservative. Well, I am a Liberal; but we are all Canadian Senators, we represent everybody, the whole country. If, in this committee, of which we have been members for three or four years, we can manage to co-operate with all those who have looked into that problem in order to come up with something constructive tomorrow, then instead of writing a book called "The Dying Land" we will be able, on the contrary, to write one entitled "The Country Where Wheat Grows in a Living Land."

(Text):

Hon. R. B. Horner: Honourable senators, may I have just a word? I think the senator who has just taken his seat (Hon. Mr. Vaillancourt) is not quite correct when he says that all the assistance goes to western farmers and none goes to eastern farmers. He will recall that assistance on butter and cream has always been held at five cents a pound more in eastern Canada than in western Canada, for the simple reason that the west was supposed to be nearer to the supply of feed. The same thing applies to the floor price of hogs; the price has been four or five cents higher for eastern farmers than for western farmers. I merely want to keep the record straight with reference to the very large amount of money being spent to assist eastern farmers by way of freight assistance on grain coming to eastern Canada from western Canada.

Motion 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. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. F. W. Gershaw: Honourable senators, may I, first of all, congratulate His Honour the Speaker, and the honourable Leader of the Government in the Senate (Hon. Mr. Brooks), on the high positions they have attained. I wish also to congratulate the mover and the seconder of the motion for an address in reply to the Speech from the Throne on their eloquence and, more particularly, in a humble way I wish to extend a warm welcome to the new senators.

I have spoken in the debate on the motion for an address on quite a few occasions, and on all of them my remarks were far removed from party politics. I have spoken on such subjects as the evil of prize fighting. I still think it is all wrong for two young men in perfect physical condition to stand up and attack each other with violence, and sometimes viciousness. Whether the bout lasts two minutes or ten rounds, one or other of the contestants is likely to be very seriously hurt. The human frame is not constituted to withstand those sledge-hammer blows which are inflicted during a prize fight.

On several occasions I have ventured to speak on the subject of divorce. Under the chairmanship of the honourable senator from Rosetown (Hon. Mr. Aseltine) and later under the chairmanship of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), I and other members of the committee have adjudicated—if that is the proper word—upon more than one thousand divorce cases. Each one of those cases was a domestic tragedy.

We see some of the shady side of life in the divorce court. People come there who seem to be lacking in character, in background, in a healthy attitude, and who are not really determined to make a success of marriage. An eminent judge in the United States once made the statement that about 90 per cent of those persons involved in divorce cases seldom attended church. However, from the evidence that is presented we hear much of selfishness, much of self indulgence, particularly in alcoholic liquor, much of cruelty, and even, at times, of an absolute disregard of all moral principles.

We in the Senate do not break up the homes of the people of this country. Those homes are hopelessly broken up before the parties ever come to us. If there is any doubt at all about a case, we do not recommend it. We try to apply the law to all cases, and I must say that I have come to the conclusion that the law does not always work in favour of those who deserve its benefits. Many people in this country get divorced all too easily, and, on the other hand, others are doomed to live in misery, sorrow and perhaps suffering because they can obtain no relief under the law.

Honourable senators, to go to another subject, I might say that there was a time in this country when almost every family, and almost every child, could be labelled either a Liberal or a Conservative. Those were the days of the two-party system. I still think that if any group of people wish to have their ideas accepted, and wish to have their thoughts and opinions transferred into legislation, their aspirations are more likely to be realized if they work within one of the two parties than if they support a splinter party.

Times have changed, however. There was a day when most people got their news from the weekly newspaper, and that newspaper generally coloured its news and its views to suit the party that the editor believed in. We have today many excellent newspapers and publications, and I think it is to the credit of the editors and the publishers of those papers that all the news is given. They will feature some particular article that appeals to them as being sound, regardless of what political party it helps or hurts. In my opinion, much credit is due to the newspapers of this country.

In many homes there are television sets. Nearly everybody has a radio. Radio sets are to be found in the most remote country places, and much information is obtained through these media.

In fact, people are pretty well informed at the present time. As an illustration of this I point out that a few years ago the people of this country returned a government with a larger majority than any government had had since Confederation, and then only four years later they left that government on the verge of defeat. This indicates, I think, first, that there are many independently-minded people in this country and, secondly, that the people expect a high standard of accomplishment from those who are placed in positions of public trust.

There are, of course, baffling problems. There are difficult questions, both domestic and foreign. Everybody realizes that we are not sailing along in the sunshine of prosperity by any means, and I believe that the party that will dedicate itself to solving these problems, the party that will promote legislaiton designed to strengthen the economy and not just to get votes, and the party that will show administrative ability, will merit the gratitude and confidence of the Canadian people and will govern this great nation for many years to come.

I have indicated that I think the recognized need at the present time is to so shape and direct our economy that peace and contentment and employment will abide with the Canadian people of this generation, and of all generations to come.

I just wish to indicate two things that I feel will contribute something to the general welfare, and that will probably increase the gross national product. The first is education. Most people who are out of work at the present time are men and women who have not had the advantage of an education. The more schooling a person has, the easier it is for that person to obtain suitable employment and hold it and advance in it. Education gives prestige and confidence to any individual and makes it easier for him to learn new things and to accomplish something really worth while.

A great blessing would be conferred if, by artificial means, water could be placed upon some of the dry parched-out land where, much to the disappointment and despair of the farmers, the crops fail year after year. Water placed on the land by gravity, by a sprinkler system, or by a spraying system, would bring most welcome results.

This year, in a general way, the crops in the west were good. Approximately 500,000,000 bushels of wheat will be harvested. The newspapers say that the farm income is at a fairly satisfactory level. Even this year, however, some of the land was so dry that the seed did not germinate. In some places frail little plants came up but they never developed and the crop was not worth cutting. In other places the farmers got only two or three bushels per acre where they should have got 15 or 20.

I attended a meeting of some 200 cattlemen and ranchers, and one after another said there was not enough grass on his ranch to feed his cattle, that he would have to get help from the Government to ship the breeding cattle north where there was pasture, and he would have to sell off his dry stock and thus deplete his herds.

This is not a new experience in the part of the country where I have lived so long. Away back in 1857, Captain Palliser was commissioned by the British Government to explore the land between the South Saskatchewan River and the international boundary line. He made a report in which he outlined an area triangular in shape consisting of 50 million acres of land, which he called the great central desert, and he said that it was not fit for agriculture. Since then, in every ten-year period there have been perhaps only two or three paying crops in a small part of that area. In other years one might almost say it was a "dust bowl," because black clouds of dust blew over the area, there was an absence of the subsoil mixture, and the rainfall did not come. Warnings were given of this.

Who were the first people in the territory? We do not know anything about the mound-builders, but we assume that in those days long gone by the Indians came from the heart of Asia, crossed the Bering Strait, came along the old North Trail, along the foothills of the Rockies and wandered over that country for 20 or 30 thousand years.

About 200 years ago, when explorers and Christian missionaries and early settlers went into that land they were warned of the conditions. The Indians told them that in many years the prairie burned up so that, although there was open range, the buffalo were forced by hunger to leave their feeding grounds, and the Indians had to follow them or die.

Irrigation will be a very great blessing in some of those districts. It is not a new device for bringing productivity to the land. There are pictures of Egypt 2,000 years before the time of Christ, portraying the people as they bailed water out of the river Nile to put on the land. The Greeks and the Romans in the heyday of their greatness had irrigation schemes. Japan, North Africa and Australia have had their irrigation schemes. China has 90 million acres under irrigation; India and Pakistan 60 million, and the United States 26 million. In Canada we have about one million acres being irrigated, but we could irrigate another one and a half million.

Where does the water come from? About 10 per cent of it comes from the spring run-off, that is, the melting of the ice and snow. About 90 per cent comes from the streams flowing down the eastern slopes of the Rocky Mountains. It is important for us to take notice of that situation. Trees play a vital role in the holding of water. They shade the land, the leaves and the grass form a blanket over the soil so that the water is retained, and the moisture seeps down slowly and keeps up the water level on the adjacent land. Unfortunately, if the trees are depleted in number, if the forests are cut down, the water cascades down the hills and runs off into Hudson Bay without doing any good.

Of course, much has been done by way of irrigation, but it has cost money. Since 1930 the dominion Government has spent $30 million on irrigation, the province of Alberta has spent $29 million, and the farmers themselves have spent about $15 million, for a total of approximately $75 million. The expenditure has brought results, because today there is a demand for irrigated land, a demand which exceeds the supply available.

Those in the best position to know are convinced that irrigation pays. The projects which pay best are the small ones close to the source of supply of water. The most expensive projects are the large ones which at times have been undertaken for political purposes and without the advice of technical engineers who make this their particular business.

A dried-out farmer worries his head off every year, wondering where he will get enough crop to carry him through. On the other hand, the irrigated farmer knows he will have his garden, his vegetables, flowers, small fruits, poultry and other meat supplies for his family. Therefore, irrigation brings help to many people.

The name Gault is one familiar to Canadian people. One of the Gaults was finance minister in Sir John A. Macdonald's cabinet. The Gaults have always been an enterprising family. The very first irrigation scheme was constructed by one of them in 1880, because of the depression and drought. He irrigated 20,000 acres of land in the foothills.

Millions of dollars have been spent on irrigation by the C.P.R. In 1917, the Canada Land and Irrigation Company, with British capital, irrigated large areas. There is the

Lethbridge Northern scheme, and there is the Taber scheme. There are three large beet sugar factories flourishing now in this part of the province. The South Saskatchewan River project is about half finished. It will cost between one and two hundred million dollars. A huge dam has been built there, three miles wide and 210 feet high, and behind it is a long lake stretching for about 140 miles. Of course, much of this water evaporates or goes away by seepage, but the lake will provide pleasure boating and other forms of recreation and much of the land can be used as picnic sites. The area will be excellent for the preservation of wildlife, and the land is well suited for producing sugar beets, grain and livestock. More particularly, power will be available for the farming districts, as well as for the cities of Moose Jaw and Regina.

Many of the streams from the rockies have been damned by the Calgary Power Company to produce hydro-electric energy. In Manitoba and Saskatchewan many ambitious schemes have been promoted or are in the process of being developed.

In Alberta an efficient staff of some 100 persons, including eminent engineers, is engaged in the study of water conservation. The staff is not altogether happy about many of these schemes because the headwaters of many of the streams are in Alberta, and there is a danger of the demand for water exceeding the supply, and the future needs of the province may be jeopardized if too much water is being used. However, that is a problem for the Prairie Water Board, which is composed of representatives from each province and also from the dominion.

Just one more point. Canada is rapidly becoming an urban nation. At the time of Confederation half of its people were on farms. I learned recently that only about 11 per cent of our people now live on farms. Therefore, as cities enlarge there will be more and more demand for water and electric power.

Honourable senators, I will close by saying that care must be taken regarding water supply, because all down through the long history of the world the decline and fall of nations has gone hand in hand with the misuse of water supply. Water is our most valuable resource and its depletion would be more disastrous than the depletion of oil, minerals, or even lumber. Marketing boards need to be set up to dispose of our products—and that can be done. Quite a number of processing plants are in operation, but a few more may be required to preserve the food supply. I hope this activity will be continued. People who dwell in dry farming areas live a lonely life, whereas those who dwell on irrigated land enjoy the pleasures of community life and, most important of all, they are able to produce food of the very kind that is in so much demand throughout the world.

27511-5—8½

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

DIVORCE

REPORTS OF COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 2 to 306, which were presented yesterday.

Hon. Arthur W. Roebuck moved that the reports be adopted now.

Hon. Jean-François Pouliot: Honourable senators, I spoke yesterday on this matter, when I asked that consideration of these reports be deferred until the next sitting. I wonder if my honourable colleagues would allow me to proceed with the discussion, for I have a few remarks to make and it will not be possible for me to complete them today.

Hon. Mr. Roebuck: Go ahead.

Hon. Mr. Pouliot: I must take you into my confidence. For the benefit of the new senators, at the last session I appealed to my colleagues who were here on April 17 last, the day before the last day of the session. I draw your attention to page 522 of Senate *Hansard* for Tuesday, April 17, and also No. 39 of the *Minutes of the Proceedings of the Senate* of the same date. At that time the session was about to end, but we did not know when the end was to come. We knew nothing of what was going to happen. There were a lot of papers on the table, nobody knew what was in them, and then we were told that they were reports from the divorce committee. They are to be found in No. 39 of the *Minutes* to which I have referred. Then the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), as appears at page 522 of Senate *Hansard*:

> . . . presented the committee's reports, Nos. 307 to 340, and moved, with leave, that they be taken into consideration now. Motion agreed to.

I was present with my colleagues. I do not blame anyone else; I blame myself for having let that occur. I did not know what it was at all, and I was here. I was a party to the adoption of those reports, and I did not say a word. First reading was then given to a number of divorce bills.

We did not know at all what it was about. They were numbers 294 to 327. And then the bills were given second reading.

I read from *Hansard*:

> THE HON. THE SPEAKER: Honourable senators, when shall these bills be read the second time?
>
> HON. MR. ROEBUCK: With leave of the Senate, I move that these bills be read the second time now.

I was here but I said nothing. Continuing:

> Motion agreed to and bills read second time, on division.

One of my colleagues said, "On division". It was the only thing that was said, and he did not know what it was about.

Then we proceed a few lines further—on the same page, mark you, honourable senators,—and the bills were given third reading. I read:

> THE HON. THE SPEAKER: Honourable senators, when shall these bills be read the third time?
>
> HON. MR. ROEBUCK: With leave of the Senate, I move that the bills be read the third time now.
>
> Motion agreed to and bills read third time and passed, on division.

I was here; I said nothing. I saw all this, and it went on so quickly it was like a film that was shown too fast. It did not break the sound barrier but it broke the decorum barrier.

Afterwards, to my great surprise, the day after, when I held this *Hansard* in my hand I found the titles of the bills, and that for the first time—the day after they were passed. Then I saw in the *Minutes of the Proceedings of the Senate* the reports of the Senate committee, which had been lying on the table and of which I knew nothing at all. I find that it is not reasonable.

Now, honourable senators, we are inclined to sympathize with the Chairman of the Divorce Committee because he has a heavy weight on his shoulders. I agree. Many times have I said in the house that the work of the members of the Senate Divorce Committee was praiseworthy. But today it is not a question of being for or against divorce in principle; the question is whether we shall have some decorum in the house, whether we should know what we are debating. Whether we should know or not, we should at least have the titles of the bills. Imagine any senator after that sitting was over, after we had adopted the committee reports, passed 33 bills on first, second and third reading, being asked, "What have you done?" The answer is, "We have passed a certain number of divorce bills."

For the punishment of all of us, those bills were sent to the House of Commons and they were stopped there. They did not pass. It was to punish all of us individually. It was the punishment of Parliament for showing such, I will say, celerity in passing that legislation.

I appeal to you, honourable colleagues, and I ask you, do you find it sensible and reasonable? Perhaps nobody thought of it. We were at the end of the session; the session was to conclude at any moment, and that was it. Some members had gone home.

The new president of the Canadian Chamber of Commerce—I do not remember the gentleman's name—made a speech which was reported in the press in which he said that the great evil of our times is the indifference of all the people to what is going on. I am not the one who said that; it was said by the new president of the Chamber of Commerce.

We will turn now to what has been happening yesterday and today. I have in my hand the *Minutes of the Proceedings of the Senate of Canada* for yesterday, October 17. Yesterday, honourable senators, the same thing was going to happen. There were several piles of reports on the table and nobody knew what they were about; they were to pass innocuously.

I do not attribute the blame for this practice to anyone else. I was just as wrong as any one of my colleagues; I was indifferent, as the president of the Chamber of Commerce said. Afterwards I felt a deep remorse in my heart and in my soul, and I said if I can protest against such a practice I will take the first opportunity to do so. As this present session is just starting I am doing it now, and I appeal to the new senators and to my old colleagues for their support in this matter. We can do something good for the Senate. The Senate could be all powerful, provided that we followed the rules of parliamentary practice.

Now let us come back to what happened yesterday. In this book there are 121 pages, containing the minutes of the sitting of yesterday which lasted about two hours.

On page 92 of the Senate *Hansard* of yesterday the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) said:

> As honourable senators will observe, these 305 reports are on the table for any honourable senator to read who wishes to do so.

It was very generous of him. In the third column of his speech he said:

> I can assure the house that each one of these 305 cases has been examined and

re-processed, and in each report there will be found that solemn declaration as to non-condonation, and a request from the petitioner that he or she wishes to proceed.

I move the adoption of these 305 reports.

Two columns before he suggested to us that the mass of reports, covering 121 pages, was available for us to read. Then two columns later he said: "I move the adoption of these 305 reports." How could anyone, in five minutes, read all those reports?

I made a computation based on the *Hansard* of the House of Commons of Monday, October 15, 1962. There were 200 questions asked by the members and answered by the Government—200 of them. There were 83 pages covering the sittings that lasted from 2.30 to 6 o'clock in the afternoon, and from 8 until 10 o'clock in the evening. On Tuesday last, for the same hours of sitting, the House of Commons *Hansard* covered 47 pages. In all, that is 130 pages for 11 hours of debate in the House of Commons.

As I have said, in this chamber yesterday the adoption of those reports was moved in the next but one column following the invitation to read them. Physically I am unable to read 121 pages in 10 minutes. I wonder if some others can.

Then yesterday, when His Honour the Speaker asked if the reports should be adopted, bearing in mind the feelings I had on April 17, I said, "Next sitting". Then the honourable senator from Toronto-Trinity said:

> Why does the honourable senator say that? Does he wish to look into them?
>
> HON. MR. POULIOT: I do not wish to be unpleasant to my honourable friend, but I missed some parts of his remarks, and I would like to be able to read them before giving my assent.
>
> HON. MR. ROEBUCK: May I repeat them to you now?
>
> HON. MR. POULIOT: No. I missed something, and I want to read the honourable senator's remarks quietly in my office. Next sitting.
>
> THE HON. THE SPEAKER: Next sitting.

We have resumed consideration of the reports this afternoon. This is quite a long story, and I have to check some information. Therefore, honourable senators, I move, seconded by the honourable senator from Queens (Hon. Mr. MacDonald), the adjournment of the debate.

Hon. Arthur W. Roebuck: I suppose that motion is not debatable, but some remarks have been made here that should not go without comment.

Hon. M. Aseltine: Hear, hear.

Hon. Mr. Croll: You can speak to it on a question of privilege.

Hon. Mr. Roebuck: Well, perhaps I have a real question of privilege in connection with some of these remarks.

It has been said that nobody knew what these reports were about. I am responsible, in some measure at least, as Chairman of the Divorce Committee, for the knowledge of the members of the committee and for the combined knowledge of us all. I would like to challenge that remark with all seriousness.

The reports that were on the table at the time in question were the culmination of hearings in which the committee had called witnesses, had heard those witnesses, had considered the evidence and had come to a considered judgment in regard to each and every one. There was not a case there that had not been thoroughly considered and completely understood, and concerning which justice had not been determined in a moderate and judicial manner.

Instead of this body acting capriciously or carelessly in connection with those cases, the house relied on certain senators, such as myself and my colleagues, for the work we had done, the judgments we had rendered and the common sense we had applied. To say that there was anything hurried or careless about the proceedings on that occasion is an injustice to this house and a serious injustice to the members of that committee.

There are only two points I wish to make—and I cannot possibly sit silent while statements of this kind are made. It has been said that the action in the other place was taken as a punishment by Parliament for the celerity with which we had passed these 305 bills. My honourable friend may have information that I have not with regard to the action of the House of Commons, but I would call attention to the fact that Mr. Peters, one of the members of the House of Commons who was blocking the passage of these bills, made the statement that the work of our committee had been well done. I give him credit for that statement.

All my knowledge of what went on is contrary to the statement that there was any revenge or punishment meted out to the Senate because of the celerity with which we had passed bills which, by the way, had taken us almost the whole session of Parliament to consider and pass properly. The ones that are before us today have been before us for nearly a year, and in all that time the information has been available to any honourable senator desiring to make inquiries. The cases now under consideration are those that we deliberated upon last session, and not this

session. The honourable senator who now complains that he knows nothing about them could have made inquiries throughout that period. Not only while the session was in progress but also during the recess, he could have studied them to the last detail and could have read every word of evidence upon which each judgment was based.

I have suggested that these reports be adopted now, not because I have any personal interest in these matters—I have no more personal interest in them than any one of you. It is true that we of the committee devoted time and energy to their consideration; but we did so for the same reasons and motives that now guide you. This body has a duty to perform, a duty which is upon the shoulders of all of us, and we are trying to discharge that duty properly and decently. I did suggest yesterday that consideration be then given to these reports, and when my friend insisted on adjourning the matter to the next sitting I had no recourse and I made no protest. The item was adjourned and it is now before us.

I have said many times that I never ask for immediate passage of bills or the adoption of reports unless there is a good reason for doing so. I follow the rules, just as you do with all other bills, but when there is a reason for asking to be allowed to do otherwise, I give the reason. We of this committee merely pass on the suggestion.

The reason I ask that these reports be considered now is that they have been before us for a long time, and the petitioners whom we have adjudged as being entitled to relief have been held for all that period not knowing whether they were married or divorced. This would appear to be a piece of very inefficient justice, to say the least. Justice delayed is justice denied. The same thing applies right now.

It was my thought—not my interest, because I am no more interested than you are—that we should send these measures to the other house as rapidly as is reasonably possible. We worked overtime to re-process these 305 cases. As an indication of that, may I inform you that I have signed in that material 610 documents—610 signatures will be found in those reports. The Clerk of the Senate will sign another 610 times before these reports go to the Commons. All that detail appears routine when you see it in the Minutes, but it is not routine. Every one of these cases has been individually processed, and both our officials and the members of the committee well know that the parties are entitled to the judgments we have rendered.

I sympathize with my friend when he says he finds it difficult to keep up with us in all our work, but I am prepared at any time to move that he be made a member of our committee.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: He can sit with us. If he does not wish to be a member of the committee and spend the time we spend in dealing with these cases and studying the facts so far as is humanly possible, let me remind him that our doors are always open, and that an honourable senator does not have to be a member of the committee to attend and watch the proceedings in every case, be it contested or uncontested. I am not responsible, nor are the members of my committee responsible, for the fact that my friend is not aware of the extensive detail included in this material. What I want to make clear is that there has been no carelessness whatever, or lack of knowledge in respect to the presenting of the reports and the passing of the large number of bills which will follow.

Now so far as an adjournment of the matter is concerned, my friends are aware, as I am, of the desirability of sending these bills to the Commons at the earliest possible moment. I think there is an urgency in this but, honourable senators, you know as much about it as I do, and I have nothing to say with regard to the motion to adjourn.

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

BANKRUPTCY ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, October 16, the adjourned debate on the motion of Hon. Mr. Higgins for the second reading of Bill S-2, to amend the Bankruptcy Act.

Hon. David A. Croll: Honourable senators, the amendment to the Bankruptcy Act was explained by the honourable senator from St. John's East (Hon. Mr. Higgins) and it is, of course, a welcome measure in so far as it goes. But, as has already been pointed out in the house, it deals with a narrow field. On the other hand, the honourable sponsor of the bill said that there would be a general revision of the Bankruptcy Act at a later date. My hope is that it will not come too late.

I support this bill in its present form because it makes some useful provisions. It decentralizes to some extent the practice of bankruptcy proceedings in the provinces from the large capital cities, and if the county or district court clerk does not know at the beginning how to handle the administration, he will learn it in time. In any event, there is a vacuum that needs to be filled, as the

honourable senator indicated to us, in that some provinces are in difficulties as a result of legislation which they relied upon for some time.

I think this proposed measure will help the little man in dealing with a very personal problem. I do say this, however, that to do away with inspectors is a mistake. They can be and indeed are most useful, in the sense that they have done business with the insolvent—as my friend likes to call him, and I too prefer that word. They know something of the business, the locality, the character of the people, and they may even know something of the assets that the man may have. Consequently, inspectors are useful. In any event, I should not think the clerk would want to take all the responsibility to himself at first, and he would welcome the assistance of inspectors or such people until he learns more about the new practice. In this respect I agree with the observations made by the honourable senator from Toronto (Hon. Mr. Hayden) and the honourable senator from Ottawa West (Hon. Mr. Connolly).

The amendments deal with an immediate problem, but there is much more that needs attention. I think the whole question should be discussed here and now, since the act is open for discussion. This act has been on the statute books for twelve years without any worthwhile amendment. If there has been any amendment, it has been slight and inconsequential. In those 12 years the face of business has changed. Times have changed; new competition has developed; goods and services that are available to us have also changed.

A few days ago I looked up some of the debates that took place when the act was introduced, and there I read that the act was,

> . . . intended to permit an honest but unfortunate debtor to obtain a discharge from his debts in order to provide for his rehabilitation as a useful productive member of society.

That is a very laudatory purpose, but I would remind honourable senators of something they already know, that over the years more and more businesses have clothed themselves in corporate garments which have neither bodies to be kicked nor souls to be damned. These corporate bodies have become a media of fraud, because there are loopholes in the Bankruptcy Act which give the debtor, who has some foresight and who does some planning, an opportunity of escape. Since most enterprises of any size are conducted as limited companies, the head of the firm is never responsible for the debts unless he particularly makes himself responsible, and he usually does not.

In the changing conditions of commerce in this country the present Bankruptcy Act is inadequate and too lenient. I had hoped that after 12 years it would be tightened up by this revision so as to provide protection for the unsuspecting against planned bankruptcy and disregard of creditors.

In 1960 in the city of Toronto there were 258 business failures, and in 1961 there were 277. The liabilities in the city of Toronto for 1960 were $94 million odd. That figure is a little abnormal, due to the fact that two mining companies, Can-Met Explorations Limited and Stanrock Uranium Mines Limited, failed.

Hon. Mr. Roebuck: We had a Conservative government then, you know.

Hon. Mr. Croll: Thousands of small investors were wiped out. In all of our larger cities the number of business failures rose. I think it is a matter of some consequence that in 1960 we had a total of 1,901 business failures with debts of $180 million, and in 1961 there were 2,028 with debts of $115 million. Honourable senators will notice that despite the fact there were more failures in 1961, the total amount of the debts was less. I quote these figures, not for the purpose of damning anyone, but to indicate that there is a real problem which we have not faced up to.

Hon. Mr. Brooks: May I ask the honourable senator if he has the figures for 12 years ago when this act was passed?

Hon. Mr. Croll: No.

Hon. Mr. Brooks: Of course, that would be the only fair comparison.

Hon. Mr. Croll: I am not attempting to make a comparison.

Hon. Mr. Brooks: The honourable senator is making a comparison whether he is attempting to or not.

Hon. Mr. Croll: I have many figures here. I did not intend to deal with the period of 12 years ago, but if the honourable Leader of the Government (Hon. Mr. Brooks) wishes me to quote those figures I will see if I have them.

Hon. Mr. Brooks: Frankly, I do not see the pertinence of the figures the honourable senator is quoting.

Hon. Mr. Croll: The figures have a purpose, and I said it was to indicate that there is a problem. Surely, when there was a loss of $94 million in the city of Toronto in 1960, and when normally such loss is $20 million or $25 million in one year, this is something unusual.

I am getting to my point, which is that the bankruptcy field has been neglected for 12 years. There is enough room for everybody

to share some responsibility, because five of those years were wonderful Liberal years. My honourable friends on the other side of the house do not need to worry too much about that.

Hon. Mr. Brooks: My point is that these problems do not occur suddenly. They have been accumulating over 12 years, and this bill is intended to cure what has been accumulating for those years.

Hon. Mr. Croll: Yes, that is right. This is not like the devaluation problems that occur overnight.

As I say, these problems are here, and they have probably existed since the act was put on the statute books. I will go further and say the reason for this is that during the course of the years very few frauds have been uncovered, and only a minute number have been prosecuted.

Let me give you a typical case which I have taken from the press. The question is asked:

> Why aren't there more bankruptcy investigations to determine the possibility of fraud?

And the answer is given:

> Because there usually isn't enough money to pay for one and the creditors, who have already lost plenty, are loath to dig further into their pockets, that's why.
>
> In a recent small bankruptcy, involving $12,000 in assets, a sum of about $5,000 was recovered through the auctioning of the bankrupt stock. Who got the money? Not the creditors.
>
> Upwards of $350 went to the man who took stock. The auctioneer got a commission of about $500, plus another $1,500 for "expenses". The trustee got $425 for handling the business. The solicitor to the estate got almost $700, and the solicitor on the assignment got $80. After other expenses were paid—postage, advertisements, hydro, storage charges, room rental for creditors' meetings, etc., there was exactly $176.93 left for the creditors to split up. Of this, the Unemployment Insurance Fund, a preferred creditor, got $13.80. Business tax ate up $5.27. The sheriff got $158.

Hon. Mr. Choquette: That is better than average.

Hon. Mr. Croll: The average must be very bad because as I add up those figures there was a loss of about $2.

The explanatory note to the bill says:

> The purpose of these amendments is to correct certain abuses that have occurred in the administration of small estates under the Bankruptcy Act, by repealing those sections in the Act that provide for the summary administration of such estates.

My view is that the abuses are not so much with the small estate as with the big estate. It is at the big estate we should be aiming. Society has a tendency to go after the small fry and let the big fish escape. I do not think the damage is done by the petty offender. I think it is done by the big people. Some of these big people threaten the financial structure of a community. Certainly they undermine confidence and they take away the savings of hundreds of little people.

Too often it is the white-collar operator who violates the criminal law as applied in bankruptcy, in the course of his occupational activities. He is getting away with it. We treat this problem far too casually.

I hope that by this amending measure we may close the loopholes, or at least look forward to the time when they will be closed. I hope that time is not too far distant.

Honourable senators, I have known instances where the bankrupt attended the first meeting of creditors, having arrived in his wife's Cadillac car, the children's sports convertible not being available. I have known of cases when creditors' meetings have been adjourned or postponed to await the bankrupt's return from a trip to Florida. These people are commercial pickpockets. They sometimes break a creditor, but more often they hurt him. It is time that this Bankruptcy Act were considered by those who are experts on it.

There is need to establish under this act a bankruptcy fraud squad, men with long noses, big ears and inquisitive minds, with a determination to root out the evil. The type of bankrupt I am speaking of is the man without shame or decency or a sense of honour. Most of the time, they plan to defraud their creditors; they are looters and ought to be in gaol. More often than not, they have been able to use the act in a way in which it was never intended to be used, as a haven. Some of these unprincipled people have grown rich by bankruptcies.

The sponsor of the bill (Hon. Mr. Higgins) has quoted poetry from time to time. I do not often understand it, but I have always

enjoyed it. I should like to do the same thing now. I came across this ditty, which expresses the mood in which I have been talking:

The law doth punish man or woman
That steals the goose from off the common,
But lets the greater felon loose,
That steals the common from the goose.

It may be that we are not doing sufficient in this bill. However, we should not let time run without doing something about this very vital problem which we have far too long neglected.

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

The Senate adjourned until Tuesday, October 23, at 8 p.m.

THE SENATE

Tuesday, October 23, 1962

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

Prayers.

ESTIMATES TABLED

Hon. A. J. Brooks tabled:

Revised estimates for the fiscal year ending March 31, 1963.

Hon. W. Ross Macdonald: May I ask the Leader of the Government (Hon. Mr. Brooks) if copies of the estimates have been distributed to the members of the Senate?

Hon. Mr. Brooks: It is my understanding that they have been distributed. As a matter of fact they were in the senators' post office boxes on Friday morning.

PROPERTY QUALIFICATION OF SENATORS

RETURN PRESENTED

The Hon. the Speaker presented a return, submitted by the Clerk of the Senate in accordance with Rule 105, listing the names of members of the Senate who have renewed their declaration of property qualification.

Later:

MOTION FOR SUPPLEMENTARY RETURN

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

That, the Clerk of the Senate be authorized to receive the renewed declarations of property qualification from those members of the Senate who have not had the opportunity to make and file the same in accordance with Rule 105, and to make a supplementary return accordingly.

Motion agreed to.

APPROPRIATION BILL NO. 6, 1962

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-68, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.

Bill read first time.

SECOND READING

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

Hon. A. J. Brooks: Honourable senators, with leave of the Senate, I move, seconded by the Honourable Senator Choquette, that this bill be read a second time now.

Hon. W. Ross Macdonald: Honourable senators, I have no objection to the bill receiving second reading this evening, but I do not want this practice to be considered a precedent that can be followed on every occasion. I realize that this bill passed the other house last week, and for that reason I think we should deal with it tonight. I will not object to second reading now.

Hon. Mr. Brooks: I thank the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) for his courtesy.

Honourable senators, Bill C-68, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963, was introduced in and passed the other place on Friday last and is now before us for our consideration and approval. I would like at this time to say a few words in explanation of the measure.

Firstly, the proportions requested in this bill are intended to provide for all the necessary requirements of the public service up to November 30, 1962.

In no instance is the total amount of an item, as shown in the revised estimates for 1962-63, being released by this bill.

This bill was prepared, in so far as was possible, in the form with which honourable senators have become familiar over the past several years. Some change has been required this year, however, as a consequence of the revision of the estimates.

The revised estimates were tabled in the other place last week and at that time were distributed to all honourable senators. I tabled the estimates in this house, as you know, just a few moments ago. Former appropriation acts released supply on the basis of the amounts shown in the estimates tabled on February 12, 1962.

Honourable senators will understand that those estimates, having been replaced by the revised estimates, cannot be used as the basis for further supply. Moreover, it would be undesirable to allow the spending authorities previously granted to remain at higher levels based on the original estimates. This bill, therefore, has been drafted in a manner which will relate previously authorized supply, as well as the additional supply requested for November, to the revised estimates which

the honourable Minister of Finance tabled last week and which I tabled here this evening.

The passing of this bill will in no way prejudice the rights and privileges of honourable senators to criticize any item in the estimates when it comes up for consideration, and 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 measure.

Honourable senators will note that there is further borrowing authority provided in the bill. Appropriation Acts Nos. 3 and 5, both passed before the dissolution of Parliament on April 18, 1962, provided total borrowing authority of $1,500 million. This bill provides for a further $500 million. This borrowing authority is needed to permit the Government to raise new money required by it for the financing of its ordinary operations and for loans and advances to crown corporations. As one example, it is contemplated that greatly increased funds will be needed for the Export Credits Insurance Corporation.

Honourable senators, in further explanation, I would say that the bill will provide in respect to the revised estimates of 1962-63: (a) two-thirds of all of the items to be voted in those estimates, namely, $2,514,223,947.34; (b) an additional one-quarter of 17 votes set out in Schedule A, amounting to $33,266,831.25; (c) an additional one-sixth of 18 votes set out in Schedule B, amounting to $11,139,450; (d) an additional one-twelfth of 33 votes, set out in Schedule C of the bill, amounting to $52,558,215; totalling in all $2,611,188,443.59, less the amounts authorized by Appropriation Act No. 3, 1962, and Appropriation Act No. 5, 1962, in respect of the corresponding items in the main estimates referred to in those acts, in the amount of $2,379,368,873.77. The net amount, therefore, provided by this bill is $231,819,569.82. As I have already stated, there is an additional borrowing authority of $500 million.

Honourable senators, this is the substance of the bill, and if any further explanations are necessary I shall be pleased to give them.

Hon. W. Ross Macdonald: Honorable senators, this is an appropriation bill of the kind which we receive from time to time when the Government is requesting interim supply. Its purpose is to put the Government in funds so that it can pay the bills that are presented to it during the month of November. This is necessary because the estimates have not yet been passed by the other house. Honourable senators will recall that the estimates were considered in part before dissolution. Revised estimates have since been tabled and there has been no time to consider them. Similar bills to this will come before us from time to time throughout the session.

It strikes me as passing strange that this bill should ask for only one month's supply. It is usual for the Government to ask for supply for at least two months; and often for a longer term. Why they ask for only one month's supply, I do not know. It may be because the Government does not expect to be in power for any more than one month.

Hon. Mr. McCutcheon: Oh, no, that is not the reason.

Hon. Mr. Macdonald (Brantford): My friend says that is not the reason. The only other reason I can think of is that probably at the end of November the Government will ask for two months' supply and that will carry them over the period of Christmas and New Year's. Time will tell why supply for only one month is being asked for at this time.

The honourable Leader of the Government (Hon. Mr. Brooks) has referred to the original estimates and the revised estimates. The original estimates showed a sum required by the Government amounting to $6,276 million, and the revised estimates ask for $6,048 million. There has, therefore, been a reduction of $228 million from the previous estimates of over $6 billion.

I am sure honourable senators remember, as I do, that in 1953 and in 1957 members of the present Government, who were then members of the Opposition, said how easy it would be to reduce expenditures by $500 million. It was going to be easy, when the Opposition of that day came into power, to slash the estimates by $500 million. Of course when they came into power they did not do it; it could not be done. On the contrary, the estimates were increased rather than reduced.

I am not criticizing the Government at this time for what was done then, but I am pointing out that that was big talk and it was impossible to put it into effect.

The estimates for 1952-53 ran to $4,500 million, and the 1956-57 estimates ran to about $4,800 million. If the then Opposition, when they came into power, had reduced the estimates by $500 million they would have made a reduction of between 10 and 11 per cent. But now, in this day of austerity, with the great slashing of the estimates being made to put this program into effect, the reduction is about 3½ per cent. Even in ordinary times they said they could bring it down by 10 per cent but now, with their best efforts to pare down the estimates, all they can do is reduce them by about 3½ per cent.

Hon. Mr. Roebuck: Is that taking into account what they have added on?

Hon. Mr. Macdonald (Brantford): That is the reduction of the estimates tabled in April of this year, which were higher than the estimates of the previous year.

Hon. Mr. Roebuck: But it does not include the additions that were made?

Hon. Mr. Macdonald (Brantford): I am just taking the totals at the moment. Honourable senators, I am not complaining too much about this.

Hon. Mr. McCutcheon: You said we did our best.

Hon. Mr. Macdonald (Brantford): I won't say you did your best, I will say it is a very difficult thing to do. Let me put it this way: you said your worst when you were in Opposition, that you could reduce the estimates by $500 million, but the best you can do now is to reduce them by some $228 million.

Of course, it is difficult to reduce items of expenditure once you have put them on the statute book. From time to time, when expenditures were increasing, the honourable senator from Churchill (Hon. Mr. Crerar), from his seat here would express the warning that expenditures were increasing and it would be impossible to reduce them. Of course, that has come true.

What estimates would you reduce—National Defence? Well, a reduction of $85 million has been made in that department, but 26 cents of every dollar raised still goes to defence. Honourable senators, I believe that any of us would hesitate at this time of international crisis to reduce the National Defence estimates by any more than has been done in the bill now before us. Had this crisis arisen some months ago or even a month ago, I do not think the Government would have reduced this item by even $85 million. Be that as it may, I believe you will agree with me that it would be most unwise to make a more extensive reduction than has been made.

The next largest item is that of Finance. The cost of financing Government expenditures is the second largest spending item, and amounts to $1,200 million. How can that item be reduced? About half of it goes for interest, and the remainder is for general financing. Is anyone prepared to suggest that we should automatically reduce the interest on bonds? That would be difficult to do.

The next largest item is for National Health and Welfare, in the amount of $1,100 million. That includes all the health services throughout the country. I think it would be very difficult to reduce the cost of our general health and welfare services in respect to items such as old age security, old age assistance, blind pensions, disability pensions, family allowances—

Hon. Mr. Brooks: Hospitalization.

Hon. Mr. Macdonald (Brantford): —and hospitalization. Is anyone prepared to reduce any of those? In fact, there is talk now of increasing family allowances by extending the maximum age limit to 18 years in the case of a child still attending school. So there is no indication of a reduction of such expenditures. The only reduction I think possible in connection with that department concerns pensions. It seems to me that if we had a truly contributory system, the amount paid by the Government could gradually be reduced over the years. I trust that it will not be long before such a scheme is introduced.

I have mentioned these things just to point out how difficult it is to bring about reductions. It is said that we are reducing the expenditures by $228 million, but are we reducing them this year? As the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has said, we are reducing the estimates which were tabled in the house in the earlier part of this year. However, I doubt very much that there will be a reduction of even one cent in the expenditures this year over those of last year. The revised expenditures this year amount to $6,048,214,000, but to that we must add $623,650,000 for old age pensions. Then we must add to that an increase which was granted this year raising the pension from $55 to $65 a month, amounting to $124 million. If those two items are added to the revised estimates it will be seen that after the reduction is taken into effect we are going to spend $6,795 million.

Hon. Mr. Brooks: May I ask the honourable leader where he is getting his figures?

Hon. Mr. Macdonald (Brantford): I am getting some from the tables filed in the other house, which are the departmental figures, and I do not think there is any mistake about them.

Hon. Mr. Brooks: I see in the estimates here for 1962-63 the expenditure for old age security was $623,620,000, and for 1961-62 it was $606,570,000. The increase was $17 million.

Hon. Mr. Macdonald (Brantford): I quite agree with the Leader of the Government (Hon. Mr. Brooks), but my point is that the revised estimates for this year are $6,048 million, to which we must add the old age security payments amounting to $623 million. Also to be added to that is the increase which is not shown in the estimates—that is, to bring the pension up to $65 per month—which

further increases the expenditure by $124 million. If those items are added to the revised estimates it will show that we are approving, when these estimates come before us, a total expenditure of $6,795 million. I would add that we have not yet seen any supplementary estimates. Last year the total supplementary estimates amounted to $617 million, and if the supplementaries are in that amount this year, we will spend over $7 billion 400 million, which would be no reduction over last year.

Possibly the Government will be able to slash the supplementary estimates, but even if they do so they will still be spending over $7 billion. I mention these things just to point out that although there may be a reduction in the estimates as originally filed, it does not seem to me that there will be an overall reduction in our expenditures; on the contrary, there will probably be an increase.

Hon. David A. Croll: If no other honourable senator wishes to discuss the matter, I have an item I want to bring to the attention of the house, and in doing so I shall change the tone of the debate somewhat. I want more money spent, and I want it spent more particularly on the Colombo Plan.

I think the house will perhaps recall that twelve years ago Canada, along with a group of nations, small countries, formed the Colombo Plan. Canada was, in fact, one of the original members of the plan, and during those twelve years we have contributed approximately $380 million, which is a fair sum of money. In the first ten years it amounted to about $30 million a year, and in the last two years we have been contributing on the basis of $50 million a year. Our contributions took the form of grants of money, in some instances, and loans, supply of equipment and food grains. Each country had its own plan of development and sat in with the Colombo Consultative Council for the purpose of having its plan approved.

Now, twelve years after the commencement of the plan, sixteen countries in South and Southeast Asia have power stations, factories, roads, clinics, schools, irrigation, canals and power dams. They had none of these before. In such things lies the chief hope of victory over poverty, want, famine and disease for these people.

Some time ago the Prime Minister was asked why he was raising Canada's contribution to the Colombo Plan to $50 million, and in reply this is what he said:

> Canada does not just make cash gifts to the underdeveloped countries in the Colombo Plan. It provides them with Canadian goods, equipment, and services carefully selected to make a basic contribution to economic development.
>
> Practically the whole amount of the $50 millions that Canada is currently contributing annually to the Colombo Plan is, therefore, paid out to Canadian firms and individuals and represents a substantial amount of business.

The estimates which we are considering here tonight provide a reduction of $8,500,000, so that we will now be contributing $41,500,000. I think that we in this country, and I am sure this house shares my view, have a moral obligation to help these people. Moreover, as these underdeveloped countries grow in strength and size they have for us a growing available market; and it must be remembered that one of the purposes of our going into the Colombo Plan was to prove to these people that we are their real friends and they can turn to us. When we talk about a reduction of $8,500,000 in the Colombo Plan we must also remember that we started the plan twelve years ago, and in those sixteen countries the population has since increased 100 million. Their need is apparent. In our own country we have wasted $500 million on the Arrow, and in defence we have squandered millions of dollars on missile programs that we had to scrap. Can we honestly afford to do less than we have been doing for these people when their need is now so much greater?

I do not for a moment suggest that Canada is not making a worthwhile contribution, but we can do much more than we are doing. Listen to these figures with respect to Colombo Plan trainees in 1960. I am here referring to people from Colombo Plan countries who were sent to various other countries of the world where they were trained and sent home qualified to carry on in a fashion that would be most productive. In 1960 Australia trained 425, Canada 277, the United Kingdom 613, and the United States 2,511. With respect to experts working in the Colombo Plan countries, Australia has 50, Canada 34, Japan 62, the United Kingdom 46, and the United States 324.

These figures are really nothing to boast about. These Colombo Plan countries need more of everything. They have to be taught how to grow more food, how to produce more goods, how to train administrative personnel, and how to develop the social services that we think so much of and which are so useful.

We, on the other hand, by spending this money in this country can provide more employment for our own people, and at the same time support a good and worthy cause.

There was a suggestion made some time ago that all countries in the plan should give one per cent of their gross national product.

Some countries thought that that figure was a little too high. It would certainly increase our contribution considerably. In fact, it would increase every country's contribution considerably. The only country that comes close to giving one per cent of its gross national product—and I am sure it will surprise you when I name it—is France. I do not quote these figures to belittle my own country, but in comparison they are worth considering. On a per capita basis France contributes $110; the United States $80; the Netherlands $75; and Canada $27, which is one-sixth of one per cent of our gross national product. That is not a large sum of money to spend on so worthy a cause.

The Toronto *Globe and Mail* was angry when it found out that our Colombo Plan aid was reduced by $8,500,000, and it had this to say:

> Many Canadians hearing that Ottawa has cut Colombo Plan aid by $8.5 million as part of the nation's austerity measures will hang their heads in shame. The Government decided to reduce its surplus wheat shipments to India, Pakistan and other Asian countries, and in this way chopped the aid figure to Southeast Asia from $50 million to $41.5 million.
>
> In a land where most of us have more than enough to eat, surely the last place where Government spending should have been trimmed is surplus food gifts to the world's hungry nations.

That reminds us of something that is very pertinent to Canada.

> Canada was one of the initiators of the World Food Bank, where the 27 member countries have pledged $86 million in surplus grain and other foods, shipping and a variety of commodities and services. Presumably the $8.5 million cut will make it that much easier for Ottawa to fulfill its commitments to this new experimental food-sharing project.

I must admit that this is an angry editorial. Nevertheless, it is something that makes us think when we realize that we take this thing rather lightly. There are people in this country who are deeply concerned, and the *Globe and Mail* speaks for many.

Honourable senators, we have the resources in our country that can help the less fortunate to create a new world of opportunity, but somehow or other we have lacked the vision and the will to do that which is so necessary. I take this occasion to say what is in my mind. I regret very much that we took a backward step with respect to one of the great undertakings with which we associated ourselves in the days when we were dreaming of a better world for other people who were less fortunate than ourselves.

Hon. Gordon B. Isnor: Honourable senators, I think the practice in past years has been for the Leader of the Government in the Senate to answer questions that honourable senators may have with respect to any particular item in the appropriation bill before them, and I think the honourable Leader of the Government (Hon. Mr. Brooks) said in his remarks tonight that he would be pleased to do so. I do not propose to make any extended remarks in regard to the general terms of the bill or the amounts involved, but I would like to inquire concerning one or two items.

In Schedule A on page 3 under the heading "Finance" may I inquire as to the meaning of the word "repaid" as contained in the following paragraph:

> Miscellaneous minor or unforeseen expenses, subject to the approval of the Treasury Board, including authority to re-use any sums repaid ...

Just what does that word "repaid" mean? Does this item include amounts paid by other nations with respect to loans? Will those amounts be now used for expenditures by the Government during the past year or in future years? I would like a definition of the word "repaid".

Hon. Mr. Brooks: The explanation I have for this item is that it is one of the two contingency funds which are intended to meet otherwise unprovided-for expenditures of a department. Generally, the limits of interim supply can be expected to give rise to more unforeseen requirements, many of them temporary, than would develop under full supply conditions. This vote is to take care of contingencies and unexpected expenditures. I believe this type of vote has been in estimates from time immemorial. It is a vote that is in every year.

Hon. Mr. Isnor: I am not questioning the fact that this vote is in the present estimates, or in bills of a similar nature to this one. I am questioning that one word "repaid", and I am asking for its exact meaning. My question is: does it include repayments of loans, and are those sums to be used to defray expenses for the current year? That is a very simple question.

Hon. Mr. Brooks: It is to cover contingencies that have been paid for out of some other fund.

Hon. Mr. Isnor: Does the vote include loans recently repaid by certain nations?

Hon. Mr. Brooks: Well, this amount is $3 million.

Hon. Mr. Isnor: It is quite a substantial reduction of a loan. The vote does not include it?

Hon. Mr. Brooks: No.

Hon. Mr. Isnor: On page 3, vote 40, I would like to know if the amount of the payment to the province of Nova Scotia in connection with vocational training is covered by that particular item.

Hon. Mr. Brooks: I have not the details here for each province. This is just a general statement. I will get the information for the honourable senator.

Hon. Mr. Cameron: When the honourable Leader of the Government (Hon. Mr. Brooks) is getting that information, would he also get it for each of the provinces?

Hon. Mr. Isnor: In regard to page 4, vote 10, what is the amount being paid to Nova Scotia with respect to campground and picnic area developments? Perhaps the honourable leader would be good enough to give us the amounts spent in each of the provinces.

Hon. Mr. Brooks: I did not expect a detailed inquiry as to all the items in the book of estimates which I tabled tonight and which we have just received. These explanations pertain to one-quarter of the vote which is being taken at this time. They apply mostly to seasonal and other work. As to the items for which all this money is expended in the general estimates, I do not think the honourable senator really expected that I would have all that information here tonight. I will get the information for him. I hope there will be another time to consider these estimates more fully.

Hon. Mr. Isnor: I can appreciate that the honourable Leader of the Government is not fully familiar with the financial picture.

Hon. Mr. Brooks: I may say that in the last few days I have gone over items of interim supply for many years, and I cannot find any case where there was a detailed report provided on the different items of the estimates, on a bill of this kind. If the honourable senator looks back over the years, he will find that is so.

Hon. Mr. Isnor: Every honourable senator in this chamber this evening who was here last session heard the same type of question being asked and answers being given in a somewhat detailed manner. Therefore, I felt I was in order in asking some simple questions.

Hon. Mr. Aseltine: Such questions were mostly on supplementaries.

Hon. Mr. Isnor: May I go one step further? The honourable Leader of the Government (Hon. Mr. Brooks), because of his interest in the Maritime provinces, may be able to answer a question dealing with public works. I am particularly anxious to find out whether there is included in the estimates an amount dealing with wharves and dredging at Sheet Harbour. I ask that question because the unemployment situation there is quite alarming. The paper mill there is anxious to provide much more employment. Perhaps we could also be told whether there are any—and I am emphasizing "any"—moneys being spent in Nova Scotia at the present time, and included in these estimates, in so far as public works are concerned.

Hon. Mr. Brooks: I can understand the honourable senator's interest in Nova Scotia. I am sure all senators are interested in items for their own provinces. I would be delighted to get this information for the honourable senator and see that it is sent to him or placed on the record. However, I do not have the information here. I do not know whether there is anything for Sheet Harbour, but I shall certainly find out and let him know.

Hon. Mr. Macdonald (Brantford): We are all interested in Nova Scotia and in the Maritimes generally, and I think we would like to see this information on *Hansard*.

Hon. Mr. Brooks: In a general way.

Motion agreed to and bill read second time.

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

Hon. Mr. Brooks moved that bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Report of the National Gallery of Canada, including its accounts and financial transactions certified by the Auditor General, for the fiscal year ended March 31, 1962, pursuant to section 10 of the National Gallery Act, chapter 186, R.S.C., 1952. (English and French texts).

Report respecting the operations of the agreements and payments made to the provinces under the Crop Insurance Act for the fiscal year ended March 31, 1962,

pursuant to section 10 of the said act, chapter 42, Statutes of Canada, 1959. (English text).

Report on the operation of agreements with the provinces under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1962, pursuant to section 9 of the said act, chapter 28, Statutes of Canada, 1957. (French text).

Report of the Department of Citizenship and Immigration for the fiscal year ended March 31, 1962, pursuant to section 7 of the Department of Citizenship and Immigration Act, chapter 67, R.S.C., 1952. (English and French texts).

PRIVATE BILL

THE CHRISTIAN BROTHERS OF IRELAND IN CANADA—FIRST READING

Hon. John G. Higgins presented Bill S-7, to incorporate The Christian Brothers of Ireland in Canada.

Hon. Mr. Macdonald (Brantford): Could we have a short explanation of the bill?

Hon. Mr. Higgins: I shall be glad to give that explanation on second reading.

Bill read first time.

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

Motion agreed to.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. M. Wallace McCutcheon moved the second reading of Bill C-63, to amend the Export Credits Insurance Act.

He said: Honourable senators, this bill contains three amendments. The first is for the purpose of clarification and deals with the total liability that the corporation may undertake under contracts of insurance for which the corporation itself is liable.

Under section 13 of the Export Credits Insurance Act, the corporation is authorized to enter into contracts of insurance to insure exporters carrying on business in Canada against any risk of loss as set out therein.

Under section 14 of the act, it is provided that the liability of the corporation under the contracts of insurance issued and outstanding shall not at any time exceed a total of ten times the aggregate of the amount of the subscribed capital and the surplus of the corporation.

With reference to the balance sheet of the corporation—and I think all honourable senators have had a copy of its eighteenth annual report—the authorized capital of the corporation is $15 million. In addition, there is a capital surplus paid in of $5 million and an earned surplus of $1,493,451, as at December 31, 1961.

The corporation is a taxpaying corporation, and after having paid income tax at normal corporate rates, appropriations are made from time to time from earned surplus to reserve. The amendment to section 14 is to introduce the word "capital" before the word "surplus", so as to make it clear that the earned surplus of the corporation is not to be taken into account in determining the total liability. So that the total liability of the corporation—and this was what was always intended under section 14—is $15 million, plus $5 million, multiplied by 10, making a total of $200 million, and the amendment is purely to clarify that situation.

The next amendment is to section 21, under which the Governor in Council may approve and authorize the corporation to enter into certain contracts of insurance in circumstances where the board of the corporation, having regard to the limitations imposed by section 14, is of the opinion that a proposed contract of insurance will impose upon the corporation a liability for a term of years or an amount in excess of that which the corporation would normally undertake in relation to any one contract, exporter, commodity or country. In other words, if the corporation feels it will be putting too many eggs in one basket, and if in the opinion of the Minister of Trade and Commerce it is in the national interest for the proposed contract to be entered into, then the Governor in Council may authorize and approve the corporation entering into the proposed contract of insurance. Those insurance contracts are undertaken for the account of the Government and not for the account of the corporation, but the liability of the corporation under subsection 3 of section 21 is now limited to $200 million.

The proposed amendment is to increase the amount for which the corporation may become liable, which really means the amount under which the Government may become liable, to $400 million. The reason for that is that under policies currently outstanding, under this section 21, the corporation is liable for $138.8 million. It has additional commitments of $34 million, and commitments in prospect for another $27 million, which total $200 million. In other words, it is anticipated that very shortly the authority contained presently in section 21(3) will be exhausted, and it is considered in the interests of our export trade that this additional authority shall be granted.

Hon. Mr. Macdonald (Brantford): I suppose the commitments are being reduced from time to time?

Hon. Mr. McCutcheon: Yes. I mentioned that the total liability currently was $138.8 million. The total loaned under this section from 1945 to date has been $428 million, so that the liabilities have been reduced. There has been repayment of $290 million out of a total of $428 million during the period from 1945 to date; but the current situation is that in addition to $138.8 million in liabilities there is a firm commitment of $34 million, and there are prospective commitments which will use up the remaining $27 million.

Hon. Mr. Hayden: Is it intended to increase the subscribed capital?

Hon. Mr. McCutcheon: No, it is not, because the commitments under section 21 are commitments for the account of the Government. I would refer the honourable senator to section 21 subsection 2 of the act. It reads:

> (2) All moneys required by the Corporation to discharge its liabilities arising under any contract of insurance entered into under this section shall be paid to the Corporation by the Minister of Finance out of unappropriated moneys in the Consolidated Revenue Fund.

The corporation in effect is acting as agent for the Government.

Hon. Mr. Hayden: The corporation's authority to insure is not being increased beyond the $200 million limitation, is it?

Hon. Mr. McCutcheon: Not beyond the $200 million limitation provided for in section 14, which is arrived at by multiplying its capital surplus plus its authorized capital by ten.

Subsequent amendments are to section 21A. Section 21A of the act is designed to authorize long-term loans for capital equipment and, again, these are loans for the account of the Government. The total liability authorized under this section at the moment is $300 million, and that is not being increased. But there are certain amendments being proposed with a view to facilitating administration.

Section 21A subsection 2 of the act authorized the corporation, when approved by the Governor in Council, to guarantee the payment of an instrument given by an importer under or in respect of an export transaction, or to purchase a guaranteed instrument, or to lend money to the holder of a guaranteed instrument, or to sell a guaranteed instrument. The main amendment, and the others consequential upon it, is that when the corporation is authorized by the Governor in Council it may lend money to an importer on the security of an instrument given by an importer in respect of an export transaction. In effect, the corporation has that power now. As the act stands, when the exporter obtains approval from the corporation and from the Governor in Council, the exporter takes a note from the importer in the other country, whether that is a government or a private corporation or individual, for the amount of the credit. The corporation, with the authority of the Governor in Council, then guarantees the note, and the corporation is then authorized to buy the note.

The amendment would enable the corporation to deal directly with the importer, and it accomplishes two things. In the first place, it simplifies what is otherwise a somewhat cumbersome transaction and, in the second place, it enables the corporation, which is an agency acting on behalf of the Government of Canada, to deal directly with another government. Many governments would prefer, and have so indicated, to deal directly with the corporation, giving their note in hand to the corporation rather than giving it, say, to the company from whom they might be purchasing machinery in this country.

Hon. Mr. Hayden: Is my friend suggesting that in these circumstances the importer of the Canadian goods would be the government of that country?

Hon. Mr. McCutcheon: Yes. I would refer my friend again to the annual report of the corporation, at page 5, where it deals with the contracts under section 21A. This, I am sorry to say, does not spell it out clearly, but I can say that there have been direct credits to at least two countries under this section where the governments have indicated they would prefer to deal directly with the corporation rather than go through the motions that are now required under the act.

Hon. Mr. Hayden: It is odd phraseology, calling such a person an importer.

Hon. Mr. McCutcheon: When I say importer I am thinking of the purchaser.

Hon. Mr. Hayden: It would have been a happier choice to use the word purchaser.

Hon. Mr. McCutcheon: I yield to my friend in the matter of semantics.

Hon. Mr. Hayden: It is nice to get some concession.

Hon. Mr. Hugessen: I suppose from the point of view of prestige, if the corporation is dealing with the foreign government, which is going to be the importer, the foreign government would prefer to have money lent

to it by the corporation rather than have the corporation guarantee the foreign government obligation.

Hon. Mr. McCutcheon: That is correct, and foreign governments have indicated that they prefer to give their note in hand and get the money and pay the bills.

If this bill is read the second time, I shall be happy to move that it be referred to the appropriate committee.

Hon. Mr. Molson: Do the exports referred to in this bill include exports made by a Canadian crown corporation or agency?

Hon. Mr. McCutcheon: I am sorry, I cannot answer that question. There is nothing I know of in the act that would prevent that, but I shall inquire and let my honourable friend know.

On motion of Hon. Mr. Hugessen debate adjourned.

PRIVATE BILL

THE NORTH AMERICAN GENERAL INSURANCE COMPANY—SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill S-6, respecting The North American General Insurance Company.

He said: Honourable senators, this is a very simple bill, similar in substance to a number of bills that we have had before us in the last two or three sessions. It is submitted on behalf of a company called The North American General Insurance Company, which conducts automobile and fire insurance, with its head office in Montreal and a branch in Toronto.

The company carries on 85 per cent of its business in the province of Quebec, and the great majority of it with people in that province whose native tongue is French. It is therefore asking for the authority of Parliament to adopt an alternative name in the French language. Its present name is, "The North American General Insurance Company," and the name which it desires in addition is, "La Nord Américaine, Compagnie d'Assurances Générales".

I do not think there is any further explanation that need be given, unless any honourable senator so desires.

I understand that in the last year or two the usual procedure in the case of bills of this kind has been to send them for consideration to the Standing Committee on Banking and Commerce, and if this bill receives second reading I shall be glad so to move.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

DIVORCE

REPORTS OF COMMITTEE—ORDER STANDS

Leave having been given to revert to Order No. 2:

> Resuming the debate on the motion of the Honourable Senator Roebuck, Q.C., seconded by the Honourable Senator Haig, for adoption of the Reports Nos. 2 to 306, both inclusive, from the Standing Committee on Divorce.—(Honourable Senator Pouliot).

Hon. Arthur W. Roebuck: Honourable senators, I joined in the silent consent of us all when Order No. 2 was stood, but may I now ask that that item be placed first on the Orders of the Day for the next sitting. May I also ask that the honourable senator from De la Durantaye (Hon. Mr. Pouliot) be prepared to proceed then.

The Hon. the Speaker: Honourable senators, is it agreed that Order No. 2 of today's Orders be placed first on tomorrow's Orders of the Day?

Hon. Mr. Macdonald (Brantford): What about the third readings of bills?

Hon. Mr. Roebuck: I am perfectly satisfied to have the third readings proceed first.

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, October 24, 1962

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

Prayers.

THE LATE JOHN T. HAIG, P.C., Q.C.

TRIBUTE

Hon. Walter M. Aseltine: Honourable senators will no doubt have heard of the death yesterday of John T. Haig, P.C., Q.C. after a very long illness. He will be remembered by honourable senators as the Leader of the Opposition in this chamber from 1945 to 1957, and as Leader of the Government for one session during which he was also a member of the Cabinet without portfolio.

He resigned his seat in the Senate in January, 1962 on account of poor health which prevented his being present in his seat in the Senate.

It has not been the custom, honourable senators, for us to pay tribute to the memory of a person who at the time of his death was not a member of the Senate, but in view of the fact that John T. Haig was a senator for nearly twenty-seven years, during which time he took a very prominent part in the work of the Senate, and particularly in view of the fact that his son, the honourable senator from River Heights, has succeeded him and is now a member of this chamber, I, with the leave of the Senate, should like to say something about the late senator. I know I speak on behalf of all honourable senators present and with your approval.

John T. Haig was born in Ontario but at an early age settled in the province of Manitoba, where he received his public school, high school and university education. Both he and I graduated from the University of Manitoba, but he graduated some nine or ten years before I did.

I began to be well acquainted with John T. Haig about the year 1909. That was the year in which I graduated, and I immediately became articled as a law student in Winnipeg. From that time on I knew him as a distinguished lawyer, a man who made a great success of his profession and built up a big practice in Winnipeg.

I knew him as a sportsman, particularly as a curler. We curled many games together after he came to Ottawa. I remember his playing the third position for me on many weekends at the Ottawa Curling Club and the Rideau Curling Club. In addition he was for many years chairman of the Macdonald Brier Curling Trophy and we frequently attended the dominion curling championships together.

I also remember John T. Haig as a politician. He was active in politics for over fifty years, not only in his native province of Manitoba but in the federal field.

On Wednesday last the honourable senator from Carleton (Hon. Mr. O'Leary) described himself as a party man, a partisan and a Conservative without prefix or qualification. Honourable senators, that description also fitted John T. Haig to a "T"—and he never faltered.

As honourable senators are no doubt aware, I was also well acquainted with our deceased colleague as a senator. I believe that almost from the time I became a senator I have been a member of the Standing Committee on Divorce. For quite a number of years I was chairman of the committee, and John T. Haig, during that time, as well as at other times, was of valuable help to me. He was deputy chairman of my committee for a number of years, and between us we disposed of many thousands of petitions.

John T. Haig became Leader of the Opposition in the Senate in 1945, and continued in that office until 1957. During his term of office I sat beside him in the front row, and in his absence I was acting Leader of the Opposition. He became Leader of the Government in the Senate when the administration changed after the 1957 election, at which time I also sat with him in the front row and in his absence was acting Leader of the Government.

During the twenty-seven years that John T. Haig was a senator he performed outstanding public service. He was highly thought of and made many warm friends.

Honourable senators, I hold in my hand a telegram I have just received from his son, Senator Campbell Haig, in which he states that his father's funeral will take place at 1.30 p.m. on Saturday, October 27, and he requests me to go to Winnipeg and be present as an honorary pallbearer.

I am sure all honourable senators would wish me to express to the five children and other relatives of our late colleague your sincere regrets and deepest sympathy. May I say that my wife will accompany me and we will do our best to represent the Senate at the funeral.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Report to Parliament of the Civil Service Commission on positions excluded in whole or in part from the operation of

the Civil Service Act for the period January 1 to March 31, 1962, pursuant to section 60(2) of the said act, chapter 48, R.S.C., 1952. (English and French texts).

Report to Parliament of the Civil Service Commission on positions and persons excluded in whole or in part from the operation, under section 74, of the Civil Service Act, and appointments made without competition under section 25 of the act, for the period April 1 to August 31, 1962, pursuant to section 76(2) of the said act, chapter 57, Statutes of Canada, 1960-61. (English and French texts).

PRIVATE BILL

THE EASTERN TRUST COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-5, respecting The Eastern Trust Company, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Smith (Queens-Shelburne): With leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAYS

USE OF OLD CARS

Hon. A. J. Brooks: Honourable senators, on October 10 the honourable senator from De la Durantaye (Hon. Mr. Pouliot) gave notice of an inquiry with regard to certain railway rolling stock as follows:

With respect to a pullman car of the Valrose type in use by the Canadian National Railways in the Province of Quebec and the Maritime Provinces—

(1) How old are these cars?
(2) When were they bought?
(3) From whom were they bought?
(4) How much was paid for them?
(5) Are they used west of Montreal? If so, where?

I now have the answer which I received from the Department of Transport.

The management of the Canadian National Railways advise as follows:

1. Total ownership—55 cars
   32 built in period 1938 to 1940 and
   23 built in 1948.
2. 51 Purchased in 1958 and 4 in 1959.
3. Purchased from New York Central System.
4. Average cost, $16,000 each.
5. These cars operate in assigned service between Montreal and Toronto; Toronto and Ottawa; Winnipeg and Vancouver; Montreal and Halifax and intermediate points.

I have a copy of this answer which I shall now send to the honourable senator.

PRIVATE BILL

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—FIRST READING

Hon. John J. Kinley, for Hon. Mr. Paterson, presented Bill S-8, respecting The Trustee Board of the Presbyterian Church in Canada.

Bill read first time.

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

Motion agreed to.

HON. MARK R. DROUIN

BIRTHDAY FELICITATIONS

The Hon. the Speaker: Honourable senators, before the Orders of the Day are called, I should like to draw to your attention that today is a very important day for one of our colleagues, the honourable senator from La Salle (Hon. Mr. Drouin), who is celebrating his birthday. We all know him as my predecessor in office, and during his term as Speaker he occupied this Chair with great dignity and charm.

On behalf of all honourable senators, I should like on this special occasion to extend to you, sir, our most sincere good wishes and express the hope that you will have many more such anniversaries.

Hon. Mark R. Drouin: Mr. Speaker, honourable senators, I thought that this occasion would pass unnoticed, but this morning I read a reference to my birthday in the Montreal *Gazette*.

I am glad to celebrate it here this afternoon with my good friends, the honourable senators, who made my task as Speaker so pleasant. I know that they will extend to Mr. Speaker the same courtesies.

My term as Speaker of the Senate was a great honour for me and it gave me much satisfaction. My task was made lighter not only by the honourable senators on this side of the house but also by my good friends on the other side of the house. If I had some measure of success as Speaker of the Senate I owe it mainly to your encouragement and friendly support.

I aged a little during my five years of office, but that was not because of any hard work that I had to perform here. Honourable senators, you made my task easy, and I thank you, Mr. Speaker, for your reference to my birthday, and for your good wishes.

Hon. A. J. Brooks: Honourable senators, may I associate myself with His Honour the Speaker in congratulating the honourable senator from La Salle on his birthday. I do not know what his age is, but he certainly does not look it, whatever it is!

APPROPRIATION BILL No. 6, 1962

THIRD READING

Hon. A. J. Brooks: Honourable senators, before moving third reading of this bill I wish to report that I have the answers to certain questions which were asked by honourable senators, and as they are quite lengthy I would ask leave of the Senate to have them incorporated in *Hansard*.

Some Hon. Senators: Agreed.

For text of answers see Appendix, p. 137.

Hon. Mr. Brooks: Honourable senators, I move third reading of Bill C-68 now.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Roebuck, Q.C., seconded by the Honourable Senator Haig, for adoption of the Reports Nos. 2 to 306, both inclusive, from the Standing Committee on Divorce.—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Stand until tomorrow.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. McCutcheon for the second reading of Bill C-63, to amend the Export Credits Insurance Act.

Hon. A. K. Hugessen: Honourable senators, I think we are all indebted to the Minister without Portfolio for the clear explanation that he gave of Bill C-63, an Act to amend the Export Credits Insurance Act. This is an interesting act and it has an interesting history.

The original Export Credits Insurance Act was first enacted in the year 1948. At that time its primary purpose, I think we may say, was to set up a corporation to insure Canadian exporters against loss on exports of Canadian goods to foreign countries, for which purpose the corporation was authorized to issue policies, and the basic feature of that function of the corporation was set out in section 13 of the act, which is still in effect. It says:

> The corporation may for the purpose of facilitating and developing trade between Canada and any other country, enter into a contract of insurance with an exporter to insure him against any risk of loss in connection with the export or an agreement for the export of goods by reason of the failure of the exporter, for any cause not avoidable by the exporter, to recover the selling price of the goods.

It was provided in section 14 that the corporation could issue contracts of insurance pursuant to section 13 to an amount which would permit its liabilities under such insurance contracts to reach a total of not more than ten times the aggregate of the amount of the paid-up capital and surplus of the corporation.

At that time the capital of the corporation amounted to $5 million and all of that was taken up and paid for by the Government, in addition to which the Government subscribed an additional $5 million which was credited to capital surplus. So that the corporation started in those days with a capital and surplus of $10 million, thus permitting it to undertake insurance contracts under which its liability would not exceed ten times that amount, that is, $100 million.

That amount was increased by statute in 1954. The then authorized capital of the corporation was increased by $10 million of new stock, all of which was taken up and paid for by the Government, thus making a total capital and surplus of $20 million, and increasing the amount that it could insure, and the liabilities it could undertake under insurance policies, to $200 million.

That capital remains as it was, and the only purpose of the first amendment in this bill is to make quite clear, as the minister explained, that the term surplus is to be confined to the capital surplus of $5 million which is there already, and that the obligations of the corporation under its insurance policies cannot be increased by ten times the amount of any further surplus it may happen to earn. Incidentally, I understand that the corporation has been very successful, and at

the moment it has an earned surplus of something in excess of $1 million. I think that was the figure my honourable friend gave.

That was the first and, I think, the primary purpose of the legislation when it was introduced in the year 1948, but there was a secondary purpose which is to be found in section 21 of the act and which deals with large export transactions, or transactions of such a size that the corporation could not normally engage in them as a business risk, and particularly those where the terms of repayment are so long that there, again, it would not be an ordinary business risk to enter into such transactions.

Section 21 provides that the corporation can enter into insurance contracts with respect to these large and long-term export agreements only if the minister reports to the Governor in Council that the board of the corporation is of the opinion that a proposed contract of insurance will impose upon the corporation a liability for a term or in an amount in excess of that which the corporation would normally undertake in relation to any one contract, and that in the opinion of the minister it is in the national interest that the proposed contract be entered into. Under those circumstances the Governor in Council can empower the corporation to enter into insurance contracts in respect of these particular large and long-term transactions.

There was a limitation placed on the obligations which the corporation could undertake under section 21 of $100 million.

In the session of 1957-58 the limit on that liability under what I might call section 21 contracts was increased to $200 million, and in the amendment proposed in the bill now before us there is suggested a further increase to $400 million. The minister explained that the present limit of $200 million is almost used up, or is about to be used up, and that is the reason for the contemplated increase.

There is another function of the corporation, which is really quite apart from its original function of issuing policies of insurance on exports, and which was first enacted in the statutes of 1959 when section 21A was introduced into the legislation.

Section 21A authorizes the corporation to guarantee, and generally to deal in instruments such as bills of exchange or promissory notes given by foreign importers to Canadian exporters which, when so guaranteed by the corporation, are termed "guaranteed instruments". But, at that time in 1959 a joint limit was placed upon both contracts of insurance which the corporation could issue under section 21 and the liabilities of importers which could be guaranteed under section 21A of $200 million, which is the same figure that had been authorized for the corporation with respect to insurance contracts only in the previous year.

In 1961 that was changed. These liabilities were separated, and it was provided again that the corporation could incur liabilities under insurance policies under section 21 to the extent of $200 million, but that it could also guarantee the contracts of importers on guaranteed instruments issued under section 21A for a further $200 million.

In the earlier session of this year that was again changed by increasing from $200 million to $300 million the maximum liability of importers under guaranteed instruments which the corporation was authorized to guarantee.

So, honourable senators, if this legislation is adopted the corporation, under sections 21 and 21A, will be empowered to obligate itself to the extent of $700 million; $400 million by way of direct contracts of insurance, and $300 million by way of guarantees on importers, instruments called "guaranteed instruments". That is a considerable increase in the last few years.

These guaranteed instruments under section 21A partake of the same nature as the corporation's insurance policies under section 21 to this extent and in this manner, that they, too, must be authorized by the Governor in Council, and all financing transactions entered into by the corporation in relation to these guaranteed instruments are entered into for the account of the Government and not of the corporation itself, and they form no part of the corporation's profits or its capital or its assets of any kind.

I think it is fair to say that since the amendment of 1959 the corporation has gone much further afield than the mere issuing of insurance policies to Canadian exporters under either section 13 or section 21, which was really its sole function for the first eleven years of its existence. The corporation is now actively engaged under the direction of, and for the account of, the Government in the financing of Canadian export trade, and the manner in which it can do that and its activities in relation to the financing of export trade are being further increased by section 3 of this amending bill.

I should say that heretofore the corporation has had the right, since the amendment of 1959, to guarantee the obligations of a foreign importer, but henceforth, as is proposed by section 3 of this bill, it will not only have the right to guarantee the obligations of a foreign importer but it will also have the right to advance money itself to the foreign importer. I suppose the way in which this will work—and I have tried to think it out

in my own mind—would be this: Suppose a Canadian exporter wishes to sell a million dollars' worth of steel rails to, let us say, the Government of Liberia, and that government desires to pay for the shipment on an extended basis of five years. As matters stand now, that government could give the Canadian exporter a promissory note for $1 million payable five years hence and that note could be guaranteed by the corporation.

Under the proposed amendment, the corporation could go further than that; it could advance the money to the Government of Liberia itself to pay off the Canadian exporter and it could itself lend the money to the Government of Liberia and take the latter's promissory note.

As my honourable friend the minister (Hon. Mr. McCutcheon) pointed out yesterday evening, quite a number of these transactions now are apparently transactions between Canadian exporters and the governments of foreign countries; and the governments of foreign countries prefer to deal directly with a government authority in the country of export. One can well understand that that is a logical reason for making the necessary changes.

There are some features of section 21A which I do not understand too well, in relation to the financing of these guaranteed instruments and which are still further extended by section 3 of the bill. It would almost seem as if the corporation were taking the power to become an issuing house for securities and to sell guaranteed instruments of this kind to the public. Whether that is intended or has ever been done, I do not know. That is a point we should discuss when the bill goes to committee.

Hon. Mr. Macdonald (Brantford): Where does that appear in the bill?

Hon. Mr. Hugessen: It is in section 3. The corporation is entitled not only to lend money to an importer but to guarantee the payment of an instrument, to purchase a guaranteed instrument, to lend money to the holder of a guaranteed instrument and to sell to any person a guaranteed instrument.

Hon. Mr. McCutcheon: That, of course, is in the present act.

Hon. Mr. Hugessen: That is true. I am not saying that has changed. It is enlarged in the bill. I think we should have some explanation in committee as to what forms of transactions take place now and are contemplated under these wide powers that are conferred upon the corporation in this respect.

I think the bill is one which generally speaking deserves the support of honourable senators. As so often happens in these cases, when the bill goes to the appropriate standing committee we should have before us the heads of the department of government which actually administers and operates this most interesting legislation, so that we will be able to satisfy ourselves on the general way in which the intentions of Parliament are being carried out.

Hon. W. Ross Macdonald: Honourable senators, I think we all agree that the bill has been very well explained to the Senate by the honourable gentleman who has just spoken (Hon. Mr. Hugessen). The minister who introduced the bill (Hon. Mr. McCutcheon) suggested that it should go to the Standing Committee on Banking and Commerce, and with that we would all agree. I feel that in committee we should have as full an account as possible of the business which this organization has been carrying on.

Reference was made this afternoon by the honourable senator from Inkerman (Hon. Mr. Hugessen) to the fact that this has been a very successful financial organization and that a profit of $1,400,000 had been made.

Hon. Mr. McCutcheon: After income tax.

Hon. Mr. Macdonald (Brantford): That is most commendable, but probably there have been losses and perhaps we could get information in committee as to where those losses have occurred. Moreover, there seems to be a large number of accounts outstanding at present—a large amount in dollars, in any event. Are any of those accounts at present in arrears? I feel that information should be before the committee and no doubt the minister will arrange to have it presented.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. McCutcheon: I move that the bill be referred to the Standing Committee on Banking and Commerce.

With reference to what the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) has said, I may say that the president of the corporation will be present in the committee and all the information which honourable senators desire will be available.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, October 18, consideration of His Excellency the

Governor General's speech at the opening of the session, and the motion of Honourable Mr. Haig, seconded by Honourable Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Allister Grosart: Honourable senators, I rise on this first occasion with that deference which a newcomer here is privileged to give to the great traditions and the near-century of achievement of this honourable chamber and its distinguished members past and present.

I rise also with that sense of personal diffidence which befits one who lacks, as I do, the parliamentary experience which is to be found here in such abundance. Indeed, I find it here in such superfluity that on this occasion I would fain borrow some of it if I could.

It is beyond my powers to express fully the emotions that arise at this time. For many years I have observed and admired from outside the great institutions of Parliament, of which this chamber is not the least, but I had not, until a very short time ago, hoped for or expected the honour of a summons to attend here and take part in your deliberations.

I cannot allow the occasion to pass without expressing my thanks to the Prime Minister for what I take to be his hope that I may here prove in time to be of some usefulness to my country. I say "my country" because Canada is my country, although I came to live here only forty years ago, having been born in Dublin, Ireland—born, I am proud to say, a subject of that same Crown to which I renewed my allegiance as a Canadian citizen in your presence only a few weeks ago.

Indeed, honourable senators, I can think of no better precedent for my life-long loyalty to the same Crown, as an Irishman and a Canadian, than the fact that I am here assigned to a seat in a Canadian Parliament with an honourable Canadian Senator O'Leary on my immediate left and another honourable Canadian Senator O'Leary on my immediate right.

May I pay my respects to Your Honour and add my congratulations to those already so eloquently expressed by others on the high place to which you have been called. I have been tremendously impressed by the dignity and distinction which you have brought to the Chair. I could not help thinking on many occasions how pleased one who was your friend and admirer, and I believe my friend too, would have been to see you here. I refer, of course, to your successor in another place, the late Sidney Smith.

The honourable senator from River Heights (Hon. Mr. Haig) and the honourable senator from Madawaska-Restigouche (Hon. Mr. Fournier) are not in the chamber today. Senator Haig is absent on a sad duty which was referred to earlier; and Senator Fournier is away on the nation's business.

However, I would like to add my congratulations to those already expressed on the splendid manner in which they moved the motion which is under discussion. It seems to me they set a high standard for us—who, I suppose, are inevitably to be called "the new ones", though I hope not for long—to follow as best we may.

I also offer my congratulations to my leader, the honourable senator from Royal (Hon. Mr. Brooks), and also to his predecessor, the distinguished Privy Councillor who now sits on his left (Hon. Mr. Aseltine). I wish the new leader full success in the discharge of his important responsibilities.

I think it is appropriate that I add, even at this late date, something about the recent indication of the sagacity and persuasive genius of our Prime Minister in what he has done to grace our front bench here by the presence of the senator from Gormley (Hon. Mr. McCutcheon). At the same time, I pay my respects to the senator from La Salle (Hon. Mr. Drouin) and congratulate him on his birthday. I wish him at least the third quarter of his century here, whatever his plans may be for his future after that, of which I am not competent to speak at this moment.

Finally, I pay my respects to the honourable Leader of the Opposition (Hon. Mr. Macdonald) who now, as I understand it, graces the third of the high places of Parliament, to which he has given distinguished service for so many years. I extend to him my sincere sympathy in his recent bereavement, and I am sure he has found considerable comfort in the knowledge of the admiration and affection in which Mrs. Macdonald was held by all who knew her.

Honourable senators, I apologize that on this occasion I am not competent to address this chamber in the French language. I hope in due course, if I am here long enough, to make amends. I have two teenage daughters who are becoming fluent in both languages. A long time ago I determined that in this, as in many other respects, they were going to be better Canadians than I am. Being teenagers, they are doing their best to bring me up to their standards.

When the honourable Leader of the Opposition (Hon. Mr. Macdonald) opened discussion from the other side on the motion before us, I found myself wondering at his charm and his eloquence, and also wondering how it was possible for any man, even with his wide experience, to say such terrible things

in such a terribly nice way. I was reminded of Oliver Goldsmith's fine couplet:

> Blame where you must, be candid where you can,
> And be each critic, the Good-natured Man.

I feel sure some of his misunderstandings have already been cleared up by the remarks of the honourable Leader of the Government (Hon. Mr. Brooks) and by others who have preceded me, particularly the honourable senator from Gormley (Hon. Mr. McCutcheon) and my eloquent deskmate from Carleton (Hon. Mr. O'Leary). I am sure that if logic and eloquence always prevailed in these matters, it would be unnecessary for me to make any further comment; but I have often found in my life that the process of conversion is more often slow than sudden, so I beg leave to do my best to help him. Of course, I shall be traversing ground which has already been covered by many on this side, but my reason for this is that we on this side have found out—perhaps we should have found out earlier—that it is not enough to answer opposition statements once, no matter how fully, but that we must keep on restating what we regard as the truth each and every time it is challenged, and that we must meet their statements with the truth as we see it whenever uttered and as often as uttered. I shall be speaking therefore, in a somewhat different vein from the honourable Leader of the Opposition, and I am afraid in a different vein from that of others in his party who seem to have decided there is no other way to defeat the Government than by discrediting Canada at home and abroad.

I thank him for the latitude his speech allows, and I would assure him and other honourable senators in advance that if I go beyond that latitude I am replying to others, and I am sure the honourable senators who commented will know whom I mean.

I had intended to say a few words about the efforts of the Prime Minister to obtain the best possible terms for Canada in the event that Britain goes into the Common Market. I will just state at this time that I agree with the general proposition put forward, again by my eloquent deskmate from Carleton (Hon. Mr. O'Leary). I think the Prime Minister deserves the praise and thanks of all Canadians for making the strongest possible case at that time for the protection of vital Canadian interests. I know there are those who seem to think that the European Common Market is a great movement for international free trade. I wonder if they do not forget at times the simple fact that while there will be a lowering of trade barriers between six countries, there is going to be, from all the evidence we can see, the erection of the largest and longest trade barrier in history against all other nations of the world.

May I also say that Arthur Lowe, who attended the conference, stated in the October issue of *Saturday Night*, which is by no means a Conservative organ:

> ...it may very well be that Diefenbaker has saved the Commonwealth...

And then he adds:

> It was Diefenbaker's finest hour.

May I remind honourable senators that that is the second occasion in very recent months on which that accolade has been attributed to our Prime Minister. The other was in connection with that affair which occurred during the Vancouver election campaign. The C.B.C. repeated the accolade, "Diefenbaker's finest hour" in its official documentary summary of the highlights of the election.

The honourable senator from Brantford (Hon. Mr. Macdonald) who opened the debate on the other side at one point in his remarks said—and he made it clear that he was referring to Canada:

> We are on the downgrade in regard to our economy, especially in the commercial world.

I beg to disagree with that statement. On the contrary, honourable senators, this Canada of ours is on the upgrade. In fact, it is enjoying one of the greatest economic upsurges in our history. In its present phase, it has been going on for almost two years, and beyond that, with the exception of the usual periodical ups and downs, our economy has been moving ahead for the last five years.

The honourable senator read some quotations to support a different view from mine. Since hearing him, I have looked over the monthly reports of every Canadian bank, and I cannot see that one of them supports the rather gloomy view he expressed here. Typical of what I would regard as informed comment on Canada today is this comment in the current letter of the Bank of Nova Scotia:

> ...business activity in Canada has improved markedly during the past year and a half.

And again:

> ...it is clear that in both Canada and the United States, Governments have played a major role in the recent business advance.

In the speech of the honourable gentleman references were made at some length to confidence or lack of confidence in our economy, and it was suggested that the Canadian Manufacturers' Association shared that lack of

confidence. I find it interesting to note, however, that the September issue of the official publication of that association, called *Industry,* dealt with the subject in the clearest possible language which would seem to leave no doubt as to its meaning. In that issue I read these words:

> How fares the Canadian economy as summer gives way to fall in this year 1962?
>
> The answer is that it is faring very well indeed. Most of the mid-year statistics relating to business and industrial activity are now available and they make impressive reading.
>
> Industrial production in the first six months of this year was up more than 9 per cent... Likewise, manufacturers' shipments. Retail sales were higher by more than 5 per cent.

Then it goes on to say:

> Output of...cars and...trucks climbed by more than 30 per cent in the first half...sales by more than 20 per cent. The number of new...dwellings under construction at the end of July was 9 per cent greater than a year earlier, while the number of completions in the first six months...was 11 per cent greater...
>
> The buoyancy of the economy in general and of the manufacturing industry in particular was the reason why there was a record number of Canadians at work at the end of July—180,000 more than a year earlier—and why nearly 50,000 fewer were without employment.
>
> Significantly, of those who were looking for a job—4.5 per cent of the total labour force—only one in three had been unemployed for more than three months. (In the U.S. unemployment hasn't fallen below 5 per cent since 1957). Even so, what all this increased business activity means—and we ought surely to recognize it—is that more Canadians than ever before are living better than ever before...

Then the honourable Leader of the Opposition (Hon. Mr. Macdonald) sought to identify Mr. Carl Pollock, President of the Canadian Manufacturers' Association, as "one of our own people who has lost confidence in Canada". That would surprise Mr. Pollock if he read it, because here is what he said on October 1, 1962, as reported in the *Daily News* of St. John's, Newfoundland:

> Industrial production, manufacturers' shipments, retail sales, individual earnings and savings are all showing increases with most of them running at record levels. The fact that there were 180,000 more Canadians with jobs at the end of July than was the case a year earlier, tells its own story.

Again, in Halifax, Mr. Pollock is reported in the Halifax *Chronicle-Herald* issue of October 5, 1962, to this effect:

> Times are far from bad and to create any impression to the contrary is to do no service to Canada.

Honourable senators, I am new here, I am new to this kind of debate, and I find it increasingly difficult to understand how in the face of statements like that it can be said that our Canadian economy is not going ahead. And there are many more.

It seems to me that this strange story of lack of confidence in Canada was the underlying theme of the address to which I have referred. And yet, if I were to put all the objective evidence, the evidence of a cloud of witnesses, on the record I am afraid that in the next Glassco Commission Report the Queen's Printer would be under severe criticism for redundance.

May I be permitted to read a few extracts. From *Spotlight on Canada,* the official publication of the Mercantile Bank of Canada (Montreal), in its mid-September issue, I read:

> The Canadian economy performed better than was expected and will come closer to matching early-year expansionary expectations than will that of the United States.

Let us go to the other end of the country. In the Victoria Daily *Colonist* issue of October 3, 1962 I read:

> Mr. Pearson should know that Canada has entered into an era of development which calls for its people to show pride and confidence in themselves and their country—not despair and defeatism.

Honourable senators, I could go on and on in this vein. Three years ago the Prime Minister, when reporting on the first year of recovery from a recession—I think it is fair to call it, if not a Liberal recession at least one that started when the Liberals were in office—said:

> Canadians worked more, earned more, spent more and saved more than in any year in history.

That has been true of every year since, and it is more true in this year 1962. This year we reached successive new peaks in such major economic fields as national output, employment, income, consumption, and foreign trade. In the first two quarters of this year, the real gross national product—and let

me emphasize that word "real"—seasonally adjusted, has averaged 7.8 per cent higher than a year ago. It does not sound to me as though the economy is on the decline.

Some honourable senators will perhaps remember the now famous "Six Indicators of Recovery" cited by President Kennedy in his radio address on August 13 last. I have had a comparison made of the figures the President gave with our own figures, and it is quite clear that we have done better than the United States for a considerable period of time. Let me give some examples for the period of a year and a half between January 1961 and the second quarter of 1962.

In gross national product, the Canadian increase in real terms was 9.8 per cent compared to 8.5 per cent for the United States. In personal disposable income, the Canadian increase was 11.1 per cent higher, compared with 7.8 per cent of the United States. In corporate profits before taxes, the Canadian increase was 44.7 per cent higher, compared with 27.9 per cent in the United States.

In wages and salaries, we did not do quite as well but we came very close to the American rate, our rate of increase being 8.7 per cent compared with 9.1 per cent in the United States.

Unemployment in Canada in this same period of a year and a half between January 1961 and August 1962, declined 62 per cent, almost double the United States decline of 31.2 per cent. That same ratio applies when allowance is made for seasonal factors.

Industrial production—and here I take the somewhat longer period of two and a half years, from January 1960 to July 1962—rose 8.5 per cent in Canada compared with 6.9 per cent in the United States.

I am sorry to take up the time of honourable senators with these figures, but for whatever effect they may have on others I, as a Canadian, am proud of them and I think they are a justifiable cause of pride for every Canadian. I do not pretend to be an economist, but when I read this proof that my country is surpassing the rate of progress of the richest nation in the world I for one want to stand up and cheer for Canada, and I have not too much patience for those—outside this chamber of course—who seem to want only to sit on their hands and sigh.

It may be said that I am giving the facts for the last year and a half or two years only. I have done so for two reasons: firstly, because it seems to me that this was the period on which the address to which I have reference laid most emphasis; and, secondly, because this is the culmination of the efforts of this Government to bring about this kind of prosperity despite the situation it inherited in 1957.

I am not going to attempt to assess responsibility for that. We all know that these things come in cycles, but I do seem to remember that in spite of some criticisms that have been made about statements made by the Government side in the last election, no one would argue that the true state of the economy in the election campaign of 1957 was exactly proclaimed from the roof-tops by the members of the then Government. That was referred to, if the grammar can be pardoned, as the "You never had it so good" election.

I shall not refer to the famous report that came out shortly after the present Government took office.

The honourable senator from Inkerman (Hon. Mr. Hugessen), in his excellent report of the other day on the potash development in Saskatchewan, spoke of the $40 million gamble by an American company and pointed out how much we should welcome that kind of investment in Canada. Of course I agree with him, but I find it hard to reconcile that with the conduct of some others who seem to be going about Canada and other places saying to prospective investors, "Watch out. You only think you have confidence in Canada. We Liberals know better."

There is one particular aspect of this which I suggest is of great importance. During the election, the Prime Minister and others drew attention to the general prosperity of the nation and progress of the economy. They said there was progress and there was prosperity. Since then it has been said in some quarters—those same quarters that seem to me to so strangely resent any good news about Canada—that the true facts have not been given you.

Let us be fair. The fact of the matter is that the progress of the economy in the last three months after the election surpassed any prediction made by the Prime Minister during the campaign and, as far as I have read, any prediction made by any cabinet minister.

Time—and I do not mean *Time* magazine—is a great corrector of untruths. The Sudbury *Star*, which nobody will say is a Conservative paper, carried an editorial on October 11, headed, "These are 'Tough' Times? Evidence Contradicts Claim". The editorial reads:

> Each week provides further proof of the falsehoods spread around the country by politicians in the general election Canadians still have abounding confidence in their country and its future despite the downgrading political tactics in which opponents of the government engaged.
>
> Spot checks of cities across the country show a tremendous increase in building

activity. City after city reports high values in building permits and decreases in unemployment figures.

What do the 'downgrading' politicians have to say about that? How come there is so much new building and so much employment in Canada if we are going to the dogs?

These are more than straws in the wind. They provide the concrete proof that Canada is still forging ahead and the 'tough times' exist only in the minds of opponents of the government and those who believe the vote-seeking fairy tales.

The evidence is conclusive that the Canadian economy is nothing like the prophets of doom portray it and the Canadian people should turn aside from the crying towels proffered by politicians whose main aim is to get into office.

Then we have heard it said, despite the clearest evidence to the contrary, that the exchange crisis denied the truth of the Prime Minister's statements about the general state of the economy. I do not think that is true. As a matter of fact, honourable senators, I am told that one of the major aspects of the relationship between national prosperity and our exchange situation is that of cause and effect. That is so because imports for manufacturing, and for consumer use, and non-resident dividends going out, together form more than one-half of the drain on our foreign exchange reserves. So, under normal circumstances, the greater the prosperity of this nation the greater the drain on our foreign exchange reserves. That is one of the many paradoxes of our unique and complex economy.

The honourable Leader of the Opposition then said—I thought, with a shudder—that we had a record of "deficit after deficit." Those were the words he used. Nobody likes deficits—national, corporate, or personal. However, I would remind honourable senators—and I think these are interesting figures—that our total deficit in the last four years was about $2.1 billion, but the increases—and I emphasize the word "increases"—made by the present administration in the field of social justice, for human betterment, and on that account alone in these five years, total $5.3 billion. Yet, some honourable senators have commented on the need for greater social justice payments in this country.

To take one other item, the annual increases in federal payments to the provinces total another $2.5 billion. So here we have a deficit of just over $2 billion for these two items, and a total cumulative increase of about $8 billion.

I am aware that there are those who do not think these increases should have been made, but, honourable senators, I think such individuals would have a hard time convincing the old-age pensioners, the hospitalized, the needy, the unemployed, the disabled and the people of our provinces that they received more than they needed or deserved.

Regarding deficits, I think it noteworthy that the policy of the Government of having deficits in certain years has some support in very high places—high places which I think honourable senators opposite would recognize as authoritative. For example, the Leader of the Opposition in the other place, as reported in the *Globe and Mail* of June 8, 1962, said that he:

> . . . would not be opposed to a Liberal Government incurring additional federal deficits for the next year or two.

How readily do some political pied pipers change their tune.

There was also a reference in the address of the honourable Leader of the Opposition here to the lack of confidence on the part of Canadian farmers. I believe the election results gave rather a full answer to that assertion, and I am not surprised because in 1961 the gross cash income of Canadian farmers was up by 39½ per cent, a new record, and it is going to set a new record again this year.

There was also a reference to lack of confidence on the part of American investors. I read a statement issued by the United States Department of Commerce which said that the intention of American businessmen is to invest $2.2 billion in Canada in the next two years. That is higher than the average attained over a long period of time.

It was said that warnings about unemployment have gone unheeded. The phrase used was:

> It was laughed off and we were merely described as gloomsters and doomsters.

The last part of the sentence may be true, but I am sure the honourable senator's intention was exaggerated by the words he used at that time, because this recurring problem of unemployment has been with us since 1867, and even before, and it has never, that I have heard or read of, been "laughed off" by any Canadian government.

I wonder if the honourable senator had a temporary lapse of memory about such things as winter works—an entirely new concept, a brilliant new approach to this problem. I wonder if he had just forgotten for the moment the tremendous Government program that has resulted in the building of three-quarters of a million housing units in Canada in the past five years, almost half of them having direct Government support. We have the results.

In September, unemployment was down to 3.9 per cent of the labour force. No one is happy when anyone is unemployed in this country. I quote another authority, Walter Gordon, who I think will be recognized on the other side of this chamber. In his famous report of 1956 he said that 4 per cent of the labour force unemployed was full employment; and he even quoted some American economists as saying that 5 per cent might well be full employment. That is interesting, because we have heard it said that the Prime Minister's prediction of full employment this summer did not come true. The September figures make it clear that it did.

May I read one more paragraph from the address which interested me? The honourable senator first quoted these words from the Speech from the Throne, which is the subject of this debate:

> The purposes of the fiscal measures to be placed before you at this session will be the creation of better employment opportunities for the Canadian people ... the strengthening of Canada's balance of international payments and the maintenance of stability in prices.

Then the honourable senator asked the following question:

> Honourable senators, those are fine words—indeed, a worthy endeavour—but what evidence is there of any action on the part of the Government to give effect to those fine words?

If facts had teeth I believe that the honourable senator might have been bitten, because the evidence was at hand on the three specific points that he singled out.

"Better employment opportunities": The evidence is that, as he spoke, new jobs were being created in this country at the rate of 150,000 a year.

"The strengthening of Canada's balance of international payments": The evidence is that, as he spoke, the very measures he referred to were restoring $636 million to our foreign exchange reserves, and attaining new all-time records in the expansion of exports which the year before had reached a point where we had a favourable balance of commodity trade for the first time in a decade.

"Maintenance of stability in prices": The evidence is that, again as the honourable senator was speaking, the Dominion Bureau of Statistics was compiling figures which would show an actual drop in the cost of living in Canada in the month of August—and that despite all the statements we heard during the election campaign about the terrible things the stabilization of the dollar was going to do to prices in Canada. I repeat, the cost of living was down in August. Not only that, if I remember the figures correctly, in the last five-year period the rate of increase in the cost of living has been just over 1 per cent, maybe 1-1½ per cent, as against a more than 2 per cent increase in the previous 10 years.

Hon. Mr. Horner: Is that 2 per cent per year?

Hon. Mr. Grosart: There was a 2.1 per cent per year increase over the 10-year period, 1947 to 1957; and between 1 and 2 per cent —I do not remember the exact figure, but certainly less than 2 per cent—in the last five years.

The Canadian Chamber of Commerce has an official publication called "Canadian Business". In treating a longer period of time, it says this:

> A 12-nation comparison of retail price increases over the 12 months up to May this year shows that Canada has been the most successful—

That is, the most successful of the 12 nations—

> —in keeping down the cost of living.
>
> The Canadian increase was just under 1 per cent. The United States' was a shade more. Biggest increases were in France, Holland and the United Kingdom, where the cost of living rose by over 5 per cent. In Germany and Sweden it rose by 4 per cent.

These figures relate to one year. I hope those are being worked over by the statisticians of the Common Market, as well by those who like to make unfavourable comparisons between Canada and these countries.

Now, I wonder if any further evidence is necessary. Let me just run over a few headlines, and I shall abbreviate them as much as I can. I think it is important that I put it on record that this is not just one newspaper here or there, or one bank here or there; it is a chorus or cloud of witnesses that I am bringing here to support what I am saying. The President of the Toronto-Dominion Bank, on October 11, said—and I will abbreviate the citations:

> The Canadian dollar crisis is over and while some problems remain to be solved, they are not insurmountable.

Then, from John Meyer, financial editor of the Montreal *Gazette*, on October 12:

> Enough has been accomplished—in devaluation, import surcharges, export financing—to show what can be accomplished if the process of adaption to the economy's requirements is continued.

Then, from the "Business Review of the Bank of Montreal, September 26, 1962:

> It is evident that the emergency program announced three months ago in support of the fixed exchange rate established at the beginning of May has been successful in restoring stability and confidence in the Canadian exchange market.

I will skip some others. Any honourable senator who would like to see some more may have them. I have a pile of them.

Then, from the editor of the *Financial Post*, October 13:

> Mr. Diefenbaker's administration, despite its minority existence and unsure tenure, has given intimations of marshalling the very great resources of the federal government to create a better climate for business progress and individual well-being.

Then, from Leslie Wilson in the *Globe and Mail* of October 19—these are all current references; I am not going back to history at this time, though I shall in a moment:

> These surcharges .... have sparked a significant round of plans among secondary manufacturers to expand their operations. Even if the surcharges must be removed within a year or so, it is argued they will have created consumption patterns whereby some Canadian manufactures will have displaced imports.

Then, in the Ottawa *Journal* of October 10, 1962, Mr. Jack Pembroke, President of the Royal Trust Company, said:

> The Canadian dollar has strengthened and there is little need for government intervention to maintain it at a fixed rate.... There is more money for investment than first-class mortgages available in Canada today.... There is evidence of overseas money now coming into the country....

Hon. Mr. Macdonald (Brantford): What evidence is there?

Hon. Mr. Grosart: I am quoting Mr. Jack Pembroke, who says there is evidence of overseas money coming into the country.

Hon. Mr. Macdonald (Brantford): I am asking, what evidence is there?

Hon. Mr. Grosart: Could I reserve that for the next occasion when I have the honour of speaking here?

Hon. Mr. Macdonald (Brantford): I am sorry I interrupted the honourable senator.

Hon. Mr. Grosart: Then, even in the Toronto Daily *Star* of October 13 we read:

> The Diefenbaker Government's austerity program has helped to restore the health of the Canadian dollar.

And even Bruce Hutchison, writing not, it is true, in the Victoria Daily *Times*, but in the *Christian Science Monitor* of October 5:

> Despite a foreign exchange crisis and an official program of "austerity", Canada's troubled economy achieved rapid growth in the first nine months of 1962.

Now we come to the last statement by the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) which I think I should refer to at this time. He said:

> . . . there seems to be only one person who has any confidence in the administration—or, at least, did have any confidence in the administration—and that is the Prime Minister himself.

Now, of course, it would be unfair not to recognize that it was obviously a rhetorical statement, and not meant to be taken too seriously. However, I would like to use it as an occasion to bring to your attention some further comments that I have to make, and these will be my closing comments. I use this quotation to bring them within the rules of relevancy, because I am going to speak of the excesses of partisanship in other places and at other times. I am not speaking about anything that has happened in this honourable chamber, but I would like to mention the harm such excesses have done and are doing to Canada.

I think we have come to the time when deliberate, planned, attacks on Canada and on the Prime Minister of Canada must be branded as a disservice to Canada, whatever service they may be presumed to give to lesser interests. I am not referring to any isolated instances or occasional outbursts, or what at the time looked like clever devices but turned out to be merely vulgar. I am referring to planned tactics and ordered stratagems which fail to distinguish between the licence traditionally recorded in political controversy and what is regarded as the responsibility which should restrain any Canadian from deliberately downgrading Canada and attempting to debase the office of Prime Minister, or that of the Leader of the Opposition, or any of the high offices of state.

However, in the recent election and since, we have had a distinct lowering of the level of political controversy in this country. I thought we had come some of the way from the organized personal attacks and organized physical violence which took place in other

days—but they have been recently revived as one of the devices in the armoury of some who would bring down the Government.

This might be described by some as emotionalism, competitiveness, and the desperate ambition which seems to characterize some of the Opposition partisanship at this time, were it not for the clear evidence of the harm that has been done to Canada by those who seem to think that there is no other way to get into office than to deny Canada's progress, to undermine the confidence of Canadians in their country and to ridicule the honest efforts being made by others in the interests of the nation and its people.

And yet I have seen these things done within recent months, and I think I know enough about the mechanics of politics to recognize that some of them are organized.

Surely it is time to call a halt. Surely there are political actions which can be criticized, partisan politics which can be challenged, party programs which can be controverted, without resort to personal attacks on Canada and personal attacks on Canadians.

I recognize, of course, the truth of the old maxim—and I won't quote it in Latin—of Publilius Syrus two thousand years ago:

> In heated argument we are apt to lose sight of the truth.

Surely this is not a time for us to lose sight of the truth. Let those who think it proper, seek to bring down the Government—nothing wrong in that. But let those of all political parties remember that one of the main functions of all political parties is to bring Canada up.

In closing I am going to let somebody else speak the last of my piece, the highly respected Mr. Floyd Chalmers, President of the Maclean-Hunter Publishing Company. They have just published a fine booklet, their 75th anniversary booklet, and over the signature of Mr. Floyd Chalmers, a distinguished Canadian; I read these words;

> There has seldom been a time in Canada's history when there was not some large and vocal group arguing that Canada could not continue to survive as a nation.
>
> In 1887, when this company was born, it was perfectly obvious to many people that the effort to create a coast-to-coast nation wasn't going to work. The Canadian Pacific Railway, just opened, wouldn't pay for its axle grease.
>
> In 1912, this company was 25 years old. Canada has just finished a battle to prove that American Congressmen and journals were wrong as they clamored for the annexation of Canada.

I shall quote Mr. Chalmers' conclusion in a moment, but I should like to comment for a second on those two historical references, because I think there is nothing I can say that will point more truly to the real nature of the choice before the Canadian people today, between a Conservative administration and a Liberal administration.

The 1887 reference is, of course, to the infamous "axle-grease" statement by the great Liberal leader. The Liberals had the answer to this fundamental question that faced Canada then as it does now, and their answer, according to Professor Creighton, dean of Canadian history, was that

> The very idea of a separate, viable Canada was a gigantic mistake.

That statement will be found in the latest history of Canada by Professor Creighton. The professor then goes on to say:

> Unrestricted reciprocity obviously meant a violent and unqualified break with the basic principles of the national policy . . . The implications of the Liberals' new program for the whole future of the Dominion in North America were so sinister that a great many people drew back in alarm and consternation . . . The Liberals had already lost three elections and they and their new leader . . . were anxiously on the lookout for a new, a popular policy . . . Sir John A. Macdonald refused to accept the idea of defeat. He was determined to continue his chartered course . . . He was determined to negotiate—

This time it was with the United States—

> on nationally self-representing terms...

The result, as Professor Creighton puts it, was this:

> Yet the instinct for survival, the desire for self-determining was strong . . . the Canadian people still clung with determination to their design of transcontinental nationhood.

In other words, then, as later and now, it was the traditional confidence of the Conservative party in Canada which gave political identification to the true spirit of the Canadian people.

Hon. Mr. Macdonald (Brantford): Is the honourable senator still quoting?

Hon. Mr. Grosart: No, I am not. My quotation ended with the words "transcontinental nationhood". My last sentence was a comment that I ventured to put forth of my own accord.

I come now to Mr. Chalmers' reference to the election of 1911. The vital issue then,

after 15 years of Liberal administration, was almost precisely the same, namely, the survival of the concept of Canadianism in North America. I am not quoting yet, but I do offer again the interpretation of the historian rather than my own. His chapter is entitled "The Turning of the tide", and in that chapter Professor Creighton says that in that election, as in the other, it was in the traditional confidence of the Conservative party in Canada that:

> . . . this robust feeling of Canadian nationhood found vehement political expression.

Of the Liberal party's attitude—and how little times change, honourable senators—he says:

> ...in this vitally important respect, it was a sharp departure from the national policies of the past. It was precisely this departure which the Canadian people was moved, by the strongest inner compulsion, to reject... And in the election of 1911 they shook off the leadership of those who seemed to be trying to divert them from their course.

So, honourable senators, here we are in the year 1962, facing the same issue once more. We have a Conservative administration with a national policy. We have a Conservative administration that is opposing the old and discredited counsel of non-confidence in Canada, and once again it raises a strong voice for Canadian interests. Once again it is confident that we can pay for the axle-grease in every part of the land, even from "igloo to igloo". Once again we have the leadership of a great Canadian who has, like Sir John, three times defeated his principal detractors, and will do so again.

I bring the story up to date, using the words of Mr. Chalmers of the Maclean-Hunter Publishing Company, and in the same context from which I quoted earlier, in the hope that they will be framed over the desks of all the doubters in this nation including, I suggest, a few members of his own organization who do not appear to share his objectivity or his optimism. Here are his words:

> Now it is 1962. We are told by a great many people that the Commonwealth is finished; that Canada's export industries are in for deep trouble. There are people in Canada who think that the great Canadian experiment is over; that it has been proven that we cannot build an East-West nation against a North-South economic grain; that we would be better to join up in economic union with the United States.
>
> There is just as much nonsense in such talk today as there was in the gloom of 75, 50 and 25 years ago.
>
> Canada is today a nation with a will of its own; with a way of life of its own that it cherishes and intends to preserve; with opportunities in the economic and cultural fields as bright and promising as those of any nation on earth.

I apologize, honourable senators, for trespassing for so long on your time. Thank you for your attendance and your kind attention.

On motion of Hon. Mrs. Fergusson, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

See p. 125

ANSWERS TO QUESTIONS RAISED ON APPROPRIATION BILL NO. 6, 1962

Question by Senator Isnor (expanded upon by Senator Cameron):

With regard to Labour Item 40, what have been the expenditures for each province?

Answer: Payments to the Provinces under the Technical and Vocational Training Assistance Act (to the nearest thousand dollars) for 1961-62 (full year) and 1962-63 (6 months) have been as follows:

Province	1961-62 (full year)	1962-63 (to Sept. 30)
Newfoundland	$ 2,975,000	$ 1,068,000
Prince Edward Island	200,000	—
Nova Scotia	1,150,000	749,000
New Brunswick	1,563,000	535,000
Quebec	8,830,000	6,155,000
Ontario	11,930,000	39,339,000
Manitoba	1,145,000	442,000
Saskatchewan	1,454,000	616,000
Alberta	3,596,000	3,467,000
British Columbia	2,825,000	1,207,000
Northwest Territories	25,000	—
Yukon	37,000	265,000
Total	$35,730,000	$53,843,000*

*In period October 1-24, a further $15.8 million has been spent but a provincial breakdown thereof is not available.

Question by Senator Isnor:

With respect to Northern Affairs and National Resources Item 10, what have been the expenditures for each province?

Answer: Contributions to Provinces for Campground and Picnic Area Developments for the full fiscal year 1961-62 and for the period April 1 to October 24, 1962 (in 1962-63) were as follows:

Province	1961-62 (full year)	1962-63 (to Oct. 24)
Newfoundland	$ 43,142	$ —
Nova Scotia	33,396	—
New Brunswick	31,441	23,187
Prince Edward Island	7,750	—
Quebec	28,913	—
Ontario	642,791	332,798
Manitoba	116,789	74,243
Saskatchewan	59,280	103,488
Alberta	195,321	—
British Columbia	541,177	282,195
Total	$1,700,000	$ 815,911

Question by Senator Isnor:

Is there any provision for work in the area of Sheet Harbour, Nova Scotia, in the Estimates of the Department of Public Works?

Answer: Minor works authorized for Sheet Harbour, Nova Scotia, by the Department of Public Works in 1962-63 are as follows:

Repars to Wharf, $600; Improvements to Wharf (lights, etc.), $2,540.

27511-5—10

THE SENATE

Thursday, October 25, 1962

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

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

Ottawa

October 25, 1962

Sir,

I have the honour to inform you that the Hon. Patrick Kerwin, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 25th October, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,

A. G. Cherrier,
Assistant Secretary
to the Governor General.

The Honourable

The Speaker of the Senate.

LAND USE

REPORT OF COMMITTEE

Hon. Arthur M. Pearson, Chairman of the Special Committee on Land Use in Canada, presented the first report of the committee, as follows:

Your committee recommend:

1. That their quorum be reduced to five members.

2. That they be authorized to print 1,000 copies in English and 300 copies in French of their day-to-day proceedings.

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

Hon. Mr. Pearson: Honourable senators, I move, with leave, that the report be adopted now.

Report adopted.

BUSINESS OF THE SENATE

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, October 30, 1962, at 8 o'clock in the evening.

Honourable senators, may I at this time make a short announcement? I expect to be unavoidably absent for a few days next week, and in my absence then, and also at other times, the honourable senator from Ottawa East (Hon. Mr. Choquette), the deputy leader, will assume my duties. Possibly it is not necessary for me to make this statement at this time, but since this is the first occasion for doing so I thought it might not be considered out of place.

Motion 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. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Muriel McQ. Fergusson: Honourable senators, I should like to add my congratulations to those already expressed by other honourable senators to the members of this house who took their place for the first time at the beginning of the present session. They bring to us a wealth of experience from their varied walks of life and, based on what we have already heard from many of them, I am sure that in the years to come their contributions will be both material and significant.

I wholeheartedly congratulate His Honour the Speaker, who already has proven not only that he is capable of carrying the responsibilities of his new office, but also that together with his delightful wife he brings charm and grace to the position.

Hon. Senators: Hear, hear.

Hon. Mrs. Fergusson: I congratulate the mover (Hon. Mr. Haig) and the seconder (Hon. Mr. Fournier, Madawaska-Restigouche) of the motion for an address in reply to the Speech from the Throne, on their interesting and informative speeches; and my special good wishes and congratulations go to the Leader of the Government (Hon. Mr. Brooks), whose career I have followed with sympathetic interest and pride since the day long since when, together with my late husband and myself, he was admitted to the Bar of New Brunswick.

The honourable senator from Gormley (Hon. Mr. McCutcheon) has merited and received my admiration since I first knew him when he was President of the Canadian Welfare Council, and particularly since I heard his presidential address in 1957, which seemed to me a very sensible and intelligent statement of the way a layman looks at welfare. I wish that more laymen in the welfare field in Canada had similar views.

I listened, perhaps with more than usual interest, to the maiden speech of the honourable senator from Carleton (Hon. Mr. O'Leary), who has had such a long and distinguished journalistic career. As he dipped into the past and recalled for us other times and other faces, I am sure that his references brought back nostalgic memories to every honourable senator who was privileged to hear him. However, I feel that I must disagree with him on a number of issues which he discussed, and I regret that he is not present today.

Hon. Mr. Macdonald (Brantford): He will read your speech.

Hon. Mrs. Fergusson: Times have indeed changed with the passage of years, and it is true that Canada's press can no longer be designated by political affiliation to the degree possible in the past. It would also appear that we are likely to find there is not the same spirit of adherence at all times to the two-party system in Canada. Frankly, I do not think these are necessarily retrograde developments. We have had diversions from the two-party system before, and some of those whom I consider amongst our finest members of Parliament of the past have been members of some other parties. I am sure that if the two-party system is in the best interests of the Canadian people, it will ultimately prevail. I certainly feel that present-day Canadians are just as interested in Canada's welfare and its future as were the people of Canada at any time in the past, and that in the fullness of time this will become abundantly clear.

I am sure we all learned with regret that the honourable senator seems to entertain some misgivings concerning the atmosphere of this place, and that he feels it may be a little difficult for him to adjust to this chamber. In fact, to me the tenor of his remarks rather suggested the cynicism which he seems to feel exists in Canada regarding parties and public men. I am sure I speak for all honourable senators when I assure him that in order to adjust here he will find, with the passage of time, that it will not be necessary for him to divest himself of his philosophy of life or those principles that have been his guideposts through the years.

However, I am sure that with his long association with the Canadian political scene, the honourable senator will agree with me that in the grand scheme of Confederation, the founding fathers very clearly had in mind the establishment of a second place where, on occasion, the problems confronting the nation could be considered, removed to some extent at least, from the heated political atmosphere which on occasions prevails in the other place. I think there have been occasions in rather recent memory when many Canadians, if not the majority, have offered prayerful thanks for the foresight of our founding fathers.

Obviously the honourable senator's ideas on the subject of political partisanship in the Senate conflict basically with those of the Right Honourable Arthur Meighen who, the senator from Carleton (Hon. Mr. O'Leary) stated, was his hero of public life.

In a speech by the Right Honourable Senator Meighen made before the Canadian Club of Montreal, and reprinted as an appendix to the Senate *Hansard* of August 6, 1960, he said:

> The Senate is worthless if it becomes merely another Commons divided upon party lines and indulging in party debates such as are familiar in the Lower Chamber session after session. If the Senate ever permits itself to fulfil that function and that alone in the scheme of Confederation, then the sooner it is abolished the better.

Honourable senators, when I first entered this chamber I was happy to see that partisanship did not invade it, and on many occasions when I was called to speak outside of the Senate on the subject of my experiences here I stressed this point, and I quoted in support of my argument statements from speeches by Senator Meighen, Senator Dandurand, Senator Roebuck, and by the recently deceased Senator John T. Haig, who was summoned to the Senate in 1935 and was Leader of the Conservative party in this house from 1945 to 1957.

The late Senator Haig was highly regarded by members of both sides of this house, as those who were not here during his time will learn by reading in *Hansard* the many speeches regarding him when, after a serious accident in 1953, he was incapacitated for a time and unable to be with us. When he returned he received many congratulatory speeches, not all from the members of his own party. It is true that he always remained loyal to the philosophy and principles of his party, but as far as I can remember he was careful not to intrude provocative references to them into this chamber.

When Senator Haig spoke to the Rotary Club at London, Ontario, in 1952 he said:

> My experience has taught me that at first when a new member comes into the Senate his political leanings are very marked, but as time goes on he realizes that his duty as a senator is so important that he should forget his politics and put his country first.

Honourable senators, if I should be called upon to make a similar speech I would not be honest if I said that at the present time the Senate is still following that tradition. I deeply regret this departure because I am one who agrees with another statement made by the late Arthur Meighen in the same speech from which I quoted earlier:

> Members of the Second Chamber must get away, lift their minds far from those hard-drawn lines of party, or they cannot serve their country.

However, I feel that when very partisan statements have been made, as they have been made here recently, some answers should be forthcoming.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mrs. Fergusson: In listening to the honourable senator from Carleton (Hon. Mr. O'Leary) I found myself in substantial agreement when he expressed amazement at the things government can do, and at some of the things that have been done during the past five years. However, I did find it difficult to follow him in his suggestion that the Government had been inarticulate. How can this be when they have had the services of such well-known public relations artists as the honourable senator from Pickering (Hon. Mr. Grosart), the man who is known from coast to coast as "Mr. Canada" and, last but not least, the honourable senator from Carleton himself?

Publicity has followed the Government's actions, and certainly few issues have received such worldwide attention over the past quarter century, and stirred the Canadian people to such depths, as did the Coyne affair, the attempt to talk the dollar down which culminated in the dollar crisis, and the Government's handling of the Common Market problem.

I found myself again in agreement with the honourable senator when he stated that we could only consider the Speech from the Throne in a realistic and useful way when the legislation which stems from it comes before this house. It is hoped that it will not be too long before Government policy in respect to some of the more urgent issues becomes apparent.

In this connection I would like to refer to a press report of certain remarks made by Per Jacobsson, the Managing Director of the International Monetary Fund, as reported in the Montreal *Star* under date of September 17 last. The report reads:

> Fund managing director Per Jacobsson told reporters at a weekend press conference he hoped the success of Canada's austerity program would not lead her people to believe economic stability could be achieved without additional permanent measures for the future.
>
> Jacobsson said he found it "very useful" that Bank of Canada governor Louis Rasminsky's recent report made Ottawa belief clear that steps taken so far did not eliminate the need for a long-term solution to the country's financial crisis.

Mr. Jacobsson also said:

> I hope Canada's emergency program is not too successful, or they will think a long-term program is not needed.

To me, one of the most disturbing and distressing features of the present situation is our apparent loss of stature among our friends abroad and our near neighbours—and I say this in spite of the protest of my friends opposite.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mrs. Fergusson: The remarks of the Managing Director of the International Monetary Fund, which I have read to you, certainly suggest some doubt as to what he thinks may be expected from us. Obviously we have lost stature in the United States. The remarks of the honourable senator from Carleton (Hon. Mr. O'Leary), in dealing with the Common Market and the position of the British Government, and his references to the stand taken by the British press, leave little doubt but that our relations with the British people are at an all-time low.

I cannot agree with the honourable senator that in Canada discussion of the Common Market is almost illiterate. Certainly there is wide consciousness of Canada's present and future dependence on foreign markets for the extension of our economy, and that good relations are more or less a prerequisite to expanding trade. There has also been wide discussion of the possibility that Great Britain might find it essential to her welfare and survival to join the Common Market. With discussion centred on these basic premises, I cannot see how the public can be considered illiterate on the subject.

As far back as June 1960, when I was addressing this house during the debate on

the resolution introduced by the honourable senator from Shelburne (Hon. Mr. Robertson), on the desirability of Canada entering into reciprocal trade agreements with the countries of the 21-nation group, so that by becoming associated with their 500 million people we might remove the tragic possibilities of Canada's becoming isolated from the great modern currents of trade, I urged that we should begin to consolidate our position. It seems unfortunate that so little has been accomplished along this line since that time.

Meanwhile, as we all know, the United States has embarked on a new world trading policy. The recent call by our Government to convene a trade conference of the free nations seems to me likely to resolve itself mostly into a meeting of the members of GATT, and I doubt whether this would be an adequate solution to our problems.

In dealing with the economic situation in Canada, the honourable senator donned his rose-tinted glasses and proceeded to ask, "So what is all this worry about now?" Despite the fact that at present anyone who questions the suggestion that "we never had it so good" is accused of selling Canada short, I feel I should mention at least one statistic. I refer to the forecast of the gross national product, incorporated in the report of the Royal Commission on Canada's Economic Prospects, page 327. On referring to the forecast mentioned by the honourable senator from Carleton I find that, as is usual in such cases, alternative possibilities were presented. Under one set of possible conditions it was suggested that our gross national product might reach $39.5 billion by 1965, and that under some different conditions it might reach $41.8 billion.

I would remind honourable senators that these estimates are, of course, in terms of 1955 dollars. Therefore, a comparison with current figures must be adjusted to take into account price changes, to make the figures comparable.

I am informed that when the current gross national product figure of $30.4 billion, which was quoted by the honourable senator, is properly adjusted, the figure which can be compared to this in the Gordon Report is in the order of $33 billion, suggesting a rate of growth of less than 3 per cent per annum, which compares to a rate of growth of 4.7 per cent suggested in the Gordon Report on the lower estimate.

I should like to make a short reference to unemployment. It is true there was some decrease in unemployment between mid-August and mid-September. There was a decided drop, but we all know that the main factor governing this was the many students who returned to school after looking for jobs all summer. It is clear from the Gordon Report, which was quoted by the honourable senator from Pickering (Hon. Mr. Grosart), that there have been many suggestions as to what may be considered a tolerable condition.

Views on this matter obviously change with the passage of time. I seem to recall that in the more or less recent past there was some suggestion that no one should suffer because of involuntary unemployment.

Honourable senators, it has always seemed to me that it makes a great difference whether one is simply a statistic or one of those who are suffering because of involuntary unemployment.

Unemployment still remains higher in the Atlantic provinces than elsewhere. The honourable senator from Pickering (Hon. Mr. Grosart) quoted statistics from which he argued that there was full employment, based on what I believe Mr. Gordon meant by the existence of a tolerable condition. I think this is probably the first time the honourable senator so unquestionably accepted a statement of Mr. Gordon's. I am inclined to think that this is one of the instances where statistics were used as a drunken man uses a lamp post, more for support than illumination.

Honourable senators, there is another matter to which I should like to draw your attention today. On October 16, the honourable senator from Murray Harbour (Hon. Mrs. Inman) and I were absent from this chamber. We were attending the annual meeting of A.P.E.C., of which we have been members since its inception. The meeting was held in Fredericton, my home city. You will perhaps forgive me if I say that I welcomed the opportunity to be in Fredericton when it was at its best, with the colourful leaves of its beautiful trees casting reflections on the Saint John River, so widely known as the Rhine of America and which contributes so much to the life of New Brunswick and to the city of Fredericton. Certainly on the day we were there Fredericton lived up to Sir Charles G. D. Roberts' description of it:

> Fredericton, my City, a jewel and a dream.

Dr. Desmond Pacey, an outstanding Canadian author, who is a professor on the staff of the University of New Brunswick, in an article which appears in the *Atlantic Advocate* of February 1962, quoted A. J. M. Smith as saying:

> The Fredericton of the seventies... appears like an enchanted city, with its elm-shaded streets, its generously proportioned old homes, its Cathedral, and the college on the hill, while the river winding through the town and the wooded slopes behind brings the forests and an echo of the sea almost to people's very doorsteps.

Dr. Pacey in his article goes on to say:

> As one who is proud to call Fredericton his adopted home, I should like to say that I do not believe this atmosphere has been altogether lost. I encountered it the moment I arrived in Fredericton, and have cherished it ever since; Gentleness, courtesy, a genuine respect for learning and literature.

However, the honourable senator from Murray Harbour (Hon. Mrs. Inman) and I were not attending a meeting that had to do with learning or literature. As I said earlier, we were attending the annual meeting of A.P.E.C. When we returned to Ottawa and were questioned about our absence, we found many of our friends did not know what the letters A.P.E.C. stands for, despite the excellent description given of it by the honourable senator for Murray Harbour in a speech made in this chamber on February 19, 1959. Consequently, with your indulgence, I would like to tell you a little about this organization, the designation of which was coined from the first letters of its name—"Atlantic Provinces Economic Council". A.P.E.C. members are made up of representatives of business and industry, and many individuals interested in regional economic progress. It is nonpolitical, nonprofit and voluntary. Its origin can be traced to a report made in 1951 by the late Dr. C. H. Blakeny of Moncton, who was Chairman of the Maritime Provinces Board of Trade Committee on Industrial Development. Dr. Blakeny, a former Minister of Education, was a keen businessman and was anxious to bring about a new spirit of enterprise in his part of Canada. In that report were two statements which have been quoted many times since in connection with A.P.E.C. One is:

> We in these provinces must finally realize that we must do less clamouring for (Federal) government assistance and more to help ourselves . . .

And the other:

> Yet the time has come when we must make an effort to literally pull ourselves up by our bootstraps.

This report was followed by a meeting of the premiers of the four Atlantic provinces in 1953. Much correspondence and discussion took place, and finally in 1954 the movement came to a head and the Atlantic Provinces Economic Council was born.

The policies and objectives of A.P.E.C. are three in number. First: research or to get the facts. Much has been done along this line. A.P.E.C. issues a year-round *Economic Review,* a newsletter ten times a year which gives a quarterly review of economic conditions, an Atlantic Provinces check-list, an Atlantic Provinces Trade Directory and Statistical Review, all of which are published on a regular basis. Besides these, a total of approximately 50 research studies, reports, pamphlets and other material of importance to the Atlantic economy have been issued. Actually, the A.P.E.C. library has the most complete available list of economic studies in relation to Atlantic provinces. Second: to foster co-operation within the region. Third: the promotion of interest in the support of the region for industrial development.

Among the activities to promote the second and third objectives, A.P.E.C. arranged for exhibits of Atlantic wearing apparel and footwear, of Atlantic-produced food and beverages, an Atlantic building products show and convention, a trade exhibit at Goose Bay, Labrador and Frobisher Bay, Baffin Island and Harmon Air Force base of the United States Air Force at Stephenville, Newfoundland.

Members of the executive and representatives of the Government visited Goose Bay air bases to promote trade between Atlantic provinces and the north. Joint meetings have been held with the New England Economic Council and through these meetings definite steps to promote inter-regional trade and capital investment were agreed on. Several conferences of the premiers of the four provinces were held at the same time and place as meetings of A.P.E.C., and close liaison was established on both business and social levels. Following one of these meetings a Premiers' Committee was set up to make plans for the establishment of an Atlantic provinces office in London, England, and this was set up in 1958, immediately across the street from Canada House. The opening was attended by the premiers of the four provinces and the President of A.P.E.C. The Agent General is Mr. H. Watson Jamer, former A.P.E.C. Chairman in New Brunswick.

Honourable senators, although this seems to be a new venture, I discovered that New Brunswick had had an agent general in London many years ago, and that the first one, sent over some 175 years ago, was Brooke Watson. He later became Sir Brooke, and eventually became Lord Mayor of London and Deputy Governor of the Bank of England. I thought it might be a matter of interest to honourable senators that so long ago New Brunswick had felt it important to have an agent general.

In 1959 a joint statement by the four premiers and A.P.E.C. announced that an Atlantic Provinces Research Board had been set up in Fredericton.

In 1961 the report of A. K. Cairncross, now economic advisor to the United Kingdom government, was released to the premiers of the four Atlantic provinces. His view was that the federal Government must be the principal agent of policies to eliminate the lag in economic development in the region.

In order to tackle the program and carry on the effort to "pull ourselves up by our bootstraps", the council concentrated on encouraging secondary manufacturing, while hoping for the necessary federal assistance.

A number of committees have been set up by A.P.E.C. The one to assist the growth of our light industries, and the development of industries generally, interests me especially. I feel that not only in the Atlantic provinces but throughout Canada we must promote the growth of secondary industries. It may be recalled that I expressed this opinion in a speech made in this chamber on July 5, 1960, as reported in Senate *Hansard* at page 944.

There is another interesting committee, consisting of a professor from Acadia University and a professor from the University of Maine, which is investigating the information that may be available regarding trade between the Atlantic provinces and the New England states, and the Committee is to report on the advisability of launching a joint project in this field. We trust that this study will produce practical results. The people from the provinces of New Brunswick, Nova Scotia and Prince Edward Island remember that in the days before Confederation we had a booming economy based on our free trade with our New England neighbours which we lost when, as a member of the Canadian Confederation, we had to submit to tariffs put on for the benefit of the industrial provinces of central Canada.

Based essentially on Professor Cairncross's report, supported by other studies among A.P.E.C. members, there is wide acceptance of the belief that it is essential to the development of the Atlantic provinces that the Government of Canada should create in this region an agency or agencies to assist in the program of expanding the level of public and private investment.

At the annual meeting attended by the honourable senator from Murray Harbour (Hon. Mrs. Inman) and me, great satisfaction was expressed as to the statement in the Speech from the Throne that the Government of Canada proposes to create an Atlantic Provinces Development Board to recommend measures and projects that would promote the economic development of the Atlantic region.

Members of A.P.E.C. place heavy reliance on this statement, and it is to be hoped that the creation of the Development Board will take place soon and that the personnel will be the best that can be found—individuals with wisdom, foresight and experience. It is recognized that it is necessary that not only A.P.E.C. and the federal Government, but the provincial governments as well, must do all in their power to develop our economy and this, I feel, is being done by the present New Brunswick Government.

Amongst other things a Research and Productivity Council has been set up, through the assistance of which some 40 to 50 new firms got underway in New Brunswick in the past few years, and this organization has assisted many other firms to increase their capacity.

In line with the development of small industries, and some not so small, all of which will help to cut down New Brunswick's unemployment problem, the New Brunswick Government, by legislation passed last year, paved the way for the establishment in that province of a $50 million mine, mill and smelter project which will develop a 60-million ton ore body in the Bathurst-Newcastle area. This will provide 200 permanent jobs. The New Brunswick Government recently built a large, modern plant that it has leased to an electronics firm which employs more than 1,000 workers, mostly women. Other businesses recently established are a $1 million plant to build fishing draggers, and a softwood-plywood plant, a peat moss company, a paper box plant, a paper bag plant, a shoe last firm, a floor mop and broom establishment, and a chemical factory to produce chlorine and caustic soda for the pulp and paper industry which, with its high capital investment, has been the backbone of provincial production for many years.

To help meet the demand for skilled labour which has resulted from this expansion in New Brunswick, the Government launched last winter a large-scale training program for unemployed persons. This was conducted under the new Federal-Provincial Technical and Vocational Training Program. Training classes were operated in 68 centres. About 2,300 trainees took part—which I am told is unequalled anywhere in Canada. One new technical and training school is in operation, and at least six more are planned.

In spite of all this effort to pull ourselves up by our bootstraps, unemployment in New Brunswick is still higher than in other parts of Canada. The New Brunswick Government believes that if we receive help through the proposed Atlantic Provinces Development Board, although previously New Brunswick's location was considered a disadvantage, new factors which have come into being may make

this eastern Canadian province a keystone in the distribution picture. With more than 2,000,000 people in the Atlantic provinces now, New Brunswick would seem to be a logical centre from which this expanding market could best be served. With many drastic changes taking place in world trading patterns it is possible that, situated on the Atlantic seaboard with the harbour of Saint John open to year-round navigation, New Brunswick may well be recognized as the threshold of North America, the natural place from and through which distribution and exchange should be made, both across the Atlantic and towards the west. Thus, New Brunswick may again assume the position of a leader in world trade which she held a century ago.

Reference to the changing pattern of world trade again brings to mind the European Common Market, interest in which at the A.P.E.C. meetings vied with interest in the Atlantic Provinces Development Board. Speeches and panels were devoted to the Common Market and dealt with the effect it will have on the Atlantic economy if Britain joins the E.C.M. Opinion was divided on the subject, almost all agreeing that some difficulty would arise during the necessary period of adjustment, but many believing that in the long run it would help the Atlantic economy.

The Mount Allison University seminar, which is held at Sackville, New Brunswick each year, studies matters of current interest. The seminar gets wide publicity through TV, radio, and press in the Atlantic provinces and even beyond, and this summer the seminar was devoted to the study of the Common Market. Certainly, in our province, we are not ignorant or illiterate concerning this subject.

Honourable senators, other legislation mentioned in the Speech from the Throne excited my interest and I hope I shall be able to contribute to the debates on the bills when they come before this house. I await eagerly the introduction of the measure to establish an Indian Claims Commission.

From my experience on the recent Parliamentary Joint Committee on Indian Affairs, I believe there are many claims on the part of various tribes and bands that should be thoroughly investigated and fairly settled. I am exceedingly interested in a national system of contributory old age pensions with disability and survival benefits, and the possibility—with the co-operation of the provinces—of legislation to implement portable pensions. The establishment of a National Council of Welfare will provide coordination between federal and provincial governments in this field, which is very badly needed.

In welfare, honourable senators, my chief interest is in making provision for our older citizens. As I explained in a speech to this house on February 8, 1955, I am interested in the subject generally, whether it has to do with housing, employment, income, health or free time of our older citizens.

At present, through its Committee on Aging, the Canadian Welfare Council is doing a Canada-wide survey to determine just what are the needs of Canada's older citizens in the field of housing. Proper housing is, I think, the most urgent problem of older people in Canada, but there are many other problems that require attention and legislation to establish a program that will ensure independence, dignity and respect to all citizens through their later years. It is my hope that before long a National Conference on aging—similar to the White House Conference on Aging which was held in Washington in January, 1961 and attended by a number of Canadians, as observers—may be held in Canada. Possibly such a conference might be recommended and given support by a national council on welfare which was mentioned in the Speech from the Throne.

I thank you, honourable senators, for your kind attention.

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

OFFICIAL REPORT

CORRECTION OF STATEMENT

Hon. W. Ross Macdonald: Honourable senators, on a question of privilege: After listening to the honourable senator from Fredericton (Hon. Mrs. Fergusson), and in order to prove that there is no narrow political bias on this side of the house, I feel constrained to request that a correction be made in *Hansard*.

Honourable senators may recall that yesterday at the close of the debate on the Export Credits Insurance Act I made a few remarks. It appears, from reading page 127 of *Hansard*, that I said at the beginning of those remarks:

> Honourable senators, I think we all agree that the bill has been very well explained to the Senate by the honourable gentleman who has just spoken (Hon. Mr. Hugessen).

Of course that was true, but what I actually said was also true. This is what I said:

> Honourable senators, I think we all agree that the bill has been very well

explained to the Senate by the honourable Minister without Portfolio (Hon. Mr. McCutcheon), who introduced it, and by the honourable gentleman who has just spoken.

PRIVATE BILL

THE CHRISTIAN BROTHERS OF IRELAND IN CANADA—SECOND READING

Hon. John G. Higgins moved the second reading of Bill S-7, to incorporate The Christian Brothers of Ireland in Canada.

He said: Honourable senators, it is with much interest, deep pride and abounding pleasure that I undertake the task of introducing this bill in the Senate today. From the time I attained my fifth year until I reached university status I was under the care and tutelage of the Order of the Christian Brothers of Ireland.

I am assuming that most of you had never heard of this Order until it was mentioned in this chamber last week. Of course, little was known about it in Newfoundland—except among a few people born in Ireland—until it was introduced there, and some time elapsed before it was known generally throughout the country.

The title "Christian Brothers" had a familiar ring about it, but it had a familiarity associated with commerce. In the 19th century, before the institution of limited liability companies, a number of mercantile firms affixed the word "Brothers" to their family name. There was, for instance, Martin Brothers. These mercantile firms, with others, used to buy fish in August or September from fishermen in various parts of Newfoundland in order to sell it on the various markets in Europe: England, Greece, France, Italy and Spain. The price to be offered to fishermen would not be known until some time in August or September, when the contracts with the foreign firms had been made.

One August, shortly after the Order came to Newfoundland, two Christian Brothers went on a holiday in a steamer going around one of the bays. They were standing on the deck, dressed in their black clothes and clerical collars, as the steamer entered a little cove where there was a small village. On the wharf stood the magistrate and some fishermen. One of the fishermen approached the magistrate and asked, "Magistrate, who are these men?" The magistrate replied, "They are Christian Brothers." Mused the fisherman, "Christian Brothers? I have dealt with Job Brothers, Bowring Brothers and Ryan Brothers, but I have never heard of Christian Brothers. What price are they offering for fish?"

It was not too long before the name "Christian Brothers" became familiar throughout the country. In fact, I may say that many years ago it was said that the greatest blessings ever imported into Newfoundland were rabbits and Christian Brothers.

At first the members of the Order came from Ireland, but later a number of Newfoundlanders joined the Order and were sent to Ireland to be educated, afterwards returning to Newfoundland as Brothers. That state of affairs no longer exists, and now the ranks of the Christian Brothers of Ireland consist almost entirely of citizens of Canada and the United States.

Having presumed that you do not know anything about the Order—and what I have just said does not help in any way to a better understanding—I trust that you will not mind my delivering a short account of the history of the Order, because it has something to do with Canadian education.

The Order originated in Ireland. The founder was Edmund Ignatius Rice, a member of a well-known family in County Kilkenny, Southern Ireland. He was apprenticed to his uncle, Michael Rice, who had a substantial business in Waterford, County Cork, and was an exporter, importer and dealer in ships' provisions.

Edmund Rice inherited his uncle's business and became a successful businessman. At the age of 38 years he was the owner of about 2,000 acres of land and much property in Waterford and Callen, County Kilkenny, and possessed a capital of about £50,000. At this age he decided on the nature of his vocation. He decided that he would retire from commercial life and devote himself to the education of the Catholic youth of Waterford. For many years he had devoted much time and money to looking after the poor, the aged and destitute, and prisoners in the local jail. When he died there was nothing left of his fortune, one which would have been regarded as large in those days.

There was a glaring lack of educational facilities for the poor boys of the city of Waterford, in fact, for the whole of Ireland. There were charter schools throughout Ireland, but they were used to proselytize the Catholic youth. The only alternative was the "hedge school", the teaching of the youth in the open air, in the ditches and behind hedges where, among other subjects, Latin and sciences were still taught, besides the three R's. This was the system in use while the penal laws were in force in Ireland.

Talking of the hedge school reminds me that during the 19th century a number of Irish teachers came from Ireland and taught school in many of the outlying parts of Newfoundland. Not only did they teach the three

R's, but to those who wished to advance further they taught Latin, Greek and the sciences. Some who came out were great classical scholars.

Edmund Rice was debarred from founding a religious order because the Relief Act of 1791, which granted certain concessions to Catholics, also contained a clause forbidding the establishment of any religious association or order. This was not repealed until 1892, when a further penal section against religious orders or associations was inserted in the new act. Because of those discriminatory laws the Order of the Irish Christian Brothers, I know you will be shocked to hear, continued to be an illegal institution until the year 1922.

However, Edmund Rice looked around for dedicated men, imbued with the same lofty ideals and enthusiasm and devotion as himself, and opened the first school in Waterford.

Times and ideas were changing. The old order was changing, and men were becoming imbued with the thoughts and ideas of liberty and democracy. The American War of Independence and its successful conclusion had an effect on the political thought in England. The rising tide of nationalism, starting in the new sovereign United States, and spreading to the Canadas, together with the victories of Napoleon in Europe, had brought a bigger idea of democracy in England and led to a more conciliatory attitude and tolerant policy on the part of the British Government toward Irish Catholics.

Edmund Rice took advantage of this, and with the approval of his bishop decided to form the members of his small community of teachers into a society consecrated by vows to the service of God and religion. In 1808 the Congregation of the Brothers of the Christian Schools of Ireland was informally founded. Twelve years later by a brief of Pope Pius VII, the Congregation was formally established and Edmund Rice became its first superior.

The development of the Order was rapid and its schools spread over Ireland. In 1822 at North Richmond street in Dublin, the cornerstone of the great O'Connell School was laid by the celebrated Daniel O'Connell who referred to Edmund Rice, who was now Brother Edmund Rice, as "the patriarch of the monks of the West".

In 1875 the Order was first introduced into Newfoundland. The previous year the Order had been introduced into Australia, and the first school on the North American continent was opened in New York City in 1906.

In my native city of St. John's there are three schools which have been carried on for nearly a century. The first was my old school of St. Bonaventure College which opened in 1875, and shortly thereafter there were St. Patrick's Hall School and Holy Cross School. Although this is a Catholic Order, a very large number of boys of various Protestant denominations have attended these schools.

The total number of Brothers in Canada is 140, and there are about 10,000 pupils attending their schools. There are twelve schools in Canada now: two in Vancouver, one in Victoria, one in Montreal, eight in Newfoundland.

The first school on the mainland of Canada, apart from Newfoundland, was at Halifax, Nova Scotia. This is St. Mary's College, where in the distant past one young Harold Connolly learned the rudiments of culture and absorbed the beauty of the English language so deeply that he has often delighted one of the great legislative houses of the world with this oratory, pouring forth his Ciceronian periods with Demosthenic force, vibrant with the musical modulation of his voice. If he is here today, let him speak.

An Hon. Senator: He is temporarily absent.

Hon. Mr. Higgins: What life could he put into the subject! And with what thundering voice and thrilling accents he would talk "of sunshine and of song and summer days when he was young".

This reminds me that one can become poetical on an occasion like this, but one must use doggerel when dealing with mundane subjects like, for instance, bankruptcy.

The Order extends throughout five continents. There are now 3,500 Brothers teaching 137,000 boys in Ireland, England, the United States, South America, South Africa, India, Australia, New Zealand and Canada. There are 38,000 boys attending 94 schools in Australia.

The purpose of this bill is to form a Canadian Provincialate. At the present time there is one Provincialate for the whole of the North American continent, with its headquarters in New York. This bill sets out the formation of a Canadian Provincialate with its head office in the city of Montreal or such other place within Canada as the corporation may decide.

I draw your attention now to section 3 of the bill which sets out that one of the objects of the Order is to establish and maintain orphanages. I am sorry I did not get information on this point, but I know of one orphanage in New York, and I know there is one on the outskirts of my native city, St. John's, which has been carried on since the 1890's and cares for about 300 orphans.

The bill contains the usual sections dealing with the incorporation of religious and other such bodies, and section 3 sets out that the

purpose of the corporation is to provide educational facilities, and to establish and maintain orphanages, and so on. Section 4 gives it power to establish schools, and section 5 gives it power to purchase land. Section 6 gives it the right to sell property. These are the usual sections. Section 12 gives it the right to borrow money, and section 12 (2) sets out that it cannot engage in the business of banking or insurance, but I cannot imagine the Christian Brothers engaging in either of those lines.

In dealing with section 14, I must ask your forbearance because I have not the Companies Act here. Perhaps some other senator who is also a lawyer might be able to explain this section, should a question be asked.

It is a very simple bill. Its purpose, as I have said, is to make the Order in Canada separate from the Order in the United States. That is the real purpose, and in fact it is the only purpose. The result will be that instead of having a North American Provincialate, there will now be a Canadian Provincialate and a United States Provincialate, each separate and distinct. I do not know what rights the laws of the land in the United States give the Order, but here it wants to carry on the work of an ordinary religious body, to hold property, and to be allowed to build schools and carry out its other objectives.

Hon. Mr. Burchill: I am a humble layman, and I see in clause 7 of the bill a reference to "a licence in mortmain". What does that mean?

Hon. Mr. Higgins: In the olden days a person was not allowed to give property to a corporation, because if he did it would be given to a "dead hand". That exists up to modern times. Land cannot be conveyed to corporations except by statutory authority. I think that is correct.

Hon. Mr. Roebuck: That is provincial law, in any event.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Higgins, bill referred to the Standing Committee on Miscellaneous Private Bills.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate resumed from Thursday, October 18, 1962, consideration of the reports of the Standing Committee on Divorce, Nos. 2 to 306.

Hon. Jean-François Pouliot: Honourable senators, I am going to remind you of a few things and a few facts of which you are well aware. I understand that the number of reports in this Order is considerable, and I want to make myself clear about the purpose that I have in rising to address you.

Some of our most distinguished colleagues are members of the Standing Committee on Divorce, and I have repeated time and time again that their work is praiseworthy, that I regret very much that they have to suffer that burden, if I may use that expression, and I hope the day will come soon when they will be relieved of that part of their work in order that they can give to the Senate the full measure of their talent.

At the outset I wish to thank all my honourable colleagues who had no objection to allowing this Order to stand, and I thank also my honourable colleague from Queens (Hon. Mr. MacDonald) for having seconded my motion for adjournment a few days ago.

If we want to know why the word "divorce" is in the part of the constitution that enumerates the exclusive powers that belong to the Parliament of Canada, we must go back to the time when it was first put in our legislation, and we must also go back to the Charlottetown Conference when the Fathers of Confederation met together, shook hands, and decided nothing but to meet again in Quebec City.

That happened in the fall of 1864. A few weeks later, in October, they met in Quebec City, and they passed what are called the Quebec Resolutions. All we have today is the text of those resolutions which appeared in the last pages of the Confederation Debates of 1865. One well-known historian, Sir Thomas Chapais, who was a member of the Senate for many years and who was the son of one of the Fathers of Confederation and the son-in-law of another, wrote that it was very unfortunate there was no record of the deliberations that took place at the Quebec Conference. He wrote that in his history of Canada, which is quoted again in a book on the Chapais family, written by one of his nieces. Therefore, all we have about the Quebec Conference are the resolutions which we find in the Confederation Debates.

In the Confederation Debates the Parliament of Canada is called the General Parliament, and the words "Local Government and Legislature of each Province" are used for the provincial legislatures. It is the first official draft of Confederation that exists; it mentions in the first place the powers of the General Parliament in Resolution 29:

> The General Parliament shall have power to make Laws for the peace, welfare and good government of the Federated Provinces (saving the Sovereignty

of England), and especially laws respecting the following subjects ...

And Subject 31 is "Marriage and Divorce".

Hon. Mr. Roebuck: On what page is that?

Hon. Mr. Pouliot: It is at page 1029, at the end of the book. If my honourable friend desires it I will be glad to pass the book to him.

Hon. Mr. Roebuck: I have a copy.

Hon. Mr. Pouliot: On the following page, Resolution No. 43 reads as follows:

> The Local Legislatures shall have power to make laws respecting the following subjects ...

And subject No. 15 is:

> Property and Civil Rights, excepting those portions thereof assigned to the General Parliament.

The whole matter was referred to the Supreme Court in the first place and then to the Privy Council in 1912. It was decided then by the highest tribunal that marriage and divorce are exclusive to the federal Parliament, with the exception of the solemnization of marriage which is exclusive to the provinces. The court added that everything concerning marriage and divorce belonged exclusively to the Parliament of Canada, with the exception of the solemnization of marriage reserved exclusively to the provinces.

It would be superfluous to read section 91 and 92 of the Constitution of 1867 concerning respectively the powers of the Parliament of Canada and the provincial legislatures, because you know them by heart.

As we have nothing with regard to the debates or deliberations of the Quebec Conference, we must have a look at the Confederation Debates, where the aforementioned resolutions have been discussed by the Fathers of Confederation.

At that time the Prime Minister of Canada, who was also Receiver General and Minister of Militia, was the Honourable Colonel Sir Etienne Pascal Taché. He was a delightful gentleman and was a very good family doctor. I do not believe that he had made any special study of law; when he spoke on marriage and divorce he read a paper which had been presented to him to read. It is reported as follows at page 344:

> Remarks have also been made about the laws of divorce and marriage, and the honourable member for the division of DeLanaudière (Hon. Mr. Olivier) told us that the Conference had done well in transferring the power of divorce to the General Government. On his part, I think this was a wise view of the question, and I am glad to have the opportunity of now telling him so. He was, however very uneasy about the word "marriage". Well, I will try to put him right and at his ease on that point; and I will give him the answer as I find it put down in writing, so that no possible misunderstanding may continue to exist. If the honourable gentleman will but take his pen, he will be able to note my answer:—

This is the paper which he read:

> "The word 'marriage' has been inserted to give the General Legislature the right to decide what form of marriage will be legal in all parts of the Confederation, without in any way interfering with the rules and prescriptions of the Church to which the contracting parties belong."

It was the first mention of the rules and prescriptions of the church, in that reference or explanation about marriage.

Then, a few pages further on, at page 388, Sir Hector Louis Langevin, who was a member of several governments before and after Confederation and who at that time was Solicitor General East, spoke as follows:

> I will now answer the honourable gentleman as categorically as possible, for I am anxious to be understood, not only in this House, but also by all those who may hereafter read the report of our proceedings. And first of all I will prove that civil rights form part of those which, by article 43 (paragraph 15) of the resolutions, are guaranteed to Lower Canada. This paragraph reads as follows:—
>
> "15. Property and civil rights, excepting those portions thereof assigned to the General Parliament."
>
> Well, amongst these rights are all the civil laws of Lower Canada, and among these latter those which relate to marriage; now it was of the highest importance that it should be so under the proposed system, and therefore the members from Lower Canada at the Conference took great care to obtain the reservation to the Local Government of this important right, and in consenting to allow the word "marriage" after the word "divorce," the delegates have not proposed to take away with one hand from the Local Legislature what they had reserved to it by the other.

Strangely enough, it was exactly what they did. It is for everybody to decide whether it

was done or not, especially according to the interpretation given later by the Privy Council. The quotation continues:

> So that word "marriage", placed where it is among the powers of the Central Parliament, has not the extended signification which was sought to be given to it by the honourable member.

I shall not read all of the discussion but only what those Fathers of Confederation have said about marriage:

> With the view of being more explicit, I now propose to read how the word marriage is proposed to be understood:—

I ask you, honourable senators, to go back to what Sir Etienne Pascal Taché has said and compare it with what was said by Sir Hector Langevin, who continued as follows:

> "The word marriage has been placed in the draft of the proposed Constitution to invest the Federal Parliament with the right of declaring what marriages shall be held and deemed to be valid throughout the whole extent of the Confederacy, without, however, interfering in any particular with the doctrines or rites of the religious creeds to which the contracting parties may belong."

It was the second time that there was a mention, by the Fathers of Confederation, of religion with regard to marriage.

At page 781, the honourable Solicitor General Langevin said:

> The honourable member did not quote the whole of that portion of my speech which relates to marriage; he simply quoted the first part, but he ought to have given the second, which is as follows:—
>
> "The fact is that the whole matter amounts to this—the Central Government may decide that any marriage contracted in Upper Canada or in any of the Confederated provinces, in accordance with the laws of the country in which it was contracted, although that law might be different from ours, should be deemed valid in Lower Canada, in case the parties should come to reside there, and *vice versa*."
>
> This was merely a development of what I said. I stated before that the interpretation I had given of the word "marriage" was that of the Government and of the Conference of Quebec, and that we wished the Constitution to be drafted in that sense. The honourable member for Vercheres—

That is, Mr. Geoffrion:

> —quoted that part of the draft of the civil code which states that one of the articles provides that a marriage contracted in any country whatever, according to the laws of the country in which it shall have been contracted, shall be valid, and he argues from that, that since it was declared by the civil code, there was no necessity for inserting it in the resolutions. But the honourable member must be aware that that part of the code may be repealed at any time, and that if this occurred, parties married under the circumstances referred to would no longer enjoy the protection they now have and which we desire to secure for them under the Constitution. I maintain, then, that it was absolutely necessary to insert the word "marriage" as it has been inserted, in the resolutions, and that it has no other meaning than the meaning I attributed to it in the name of the Government and of the Conference.

In all my legal research I have never found anywhere such an argument that the federal Parliament would have to pass some legislation because it was concerned that the provincial legislatures would repeal the legislation which they had enacted. In fact, all legislation can be repealed. The constitution can be repealed by the Imperial Parliament at the present time, and all the laws of Parliament can be repealed by Parliament, and all the laws of the legislatures can be repealed by the legislatures. But when they are passed, they are passed seriously and in order to be kept on the statute books. That argument was most extraordinary, because Book I, Title V of the 1862 Report of the Civil Code Commission contains article 19, which in 1865 had not yet become law, but had been tabled and sent to the government of the day three years before one of the Fathers of Confederation made that statement. It has remained in the Civil Code of Quebec of Lower Canada, where it has been since 1866. This is the article referred to, Article 135:

> A marriage solemnized out of Lower Canada between two persons, either or both of whom are subject to its laws, is valid, if solemnized according to the formalities of the place where it is performed, provided that the parties did not go there with the intention of evading the law.

As that privilege existed at the time in the draft of the Civil Code—and as it exists now in the Civil Code itself—there was no reason at all that justified the Fathers of Confederation to put marriage as well as divorce under

the jurisdiction of the federal Government; and it may explain the reason why they mentioned that the legislation would not affect the religious beliefs of the people. Perhaps they used that pretext to induce the clergy of all denominations at the time not to protest against the adoption of that part of the Constitution which put marriage as well as divorce under the jurisdiction of the federal Government.

But there was another reason why it was done, and it will be found in Senate *Hansard* of March 19, 1957, at page 370. In 1867, the year of Confederation, and two years after the Confederation debates, the estimated population of Canada was 3,463,000. And what was the number of divorces granted by Parliament from 1867 to 1872? You may know, but if you do not already know the statistics you will be greatly surprised: In 1867, none; 1868, 1; 1869, 1; 1870, none; 1871, none; 1872, none. There were two divorces granted by Parliament in six years. That is quite different from today. I have not the latest figures, but the number of divorces before us at this time is 305, or one half of the divorces passed during last year—the average being approximately 500 to 600 per session. From 1955 to 1959, in six sessions of Parliament, the number of divorces granted by Parliament was 2,806. That figure is given in Senate *Hansard* of March 24, 1960, at pages 450 and 451.

To shorten matters, I will not speak today of the investigators. I want my honourable colleagues to consider the matter objectively, as I have done, in order to find a remedy for this situation and to try to find a way, or some means, to get rid of divorce matters in the Senate, and in the House of Commons as well.

All the petitioners have paid their fees for their appearance before Parliament and to have some legislation enacted dissolving their marriage. Those people have apparently acted in good faith and their petitions deserve due consideration. The fact that this order of business has stood over a couple of times has not delayed justice at all because not a single piece of divorce legislation has yet been passed this session by the House of Commons.

Honourable senators, we must make some approach to come to an understanding and to see what can be done to remedy the situation, to relieve the Senate and the House of Commons of this burden. I hold no grudge against anybody. We must do something to redress the wrong which was done nearly a century ago by the Fathers of Confederation who lived under different conditions and at a time when divorce practically did not exist. The population of Canada has increased and today the situation is very different from what is was nearly a century ago.

We must face the situation as it exists, and I ask for the co-operation and the support of all of my colleagues to try to find some means to rid Parliament of divorce.

The suggestion has been made that divorce matters should be referred to a federal court for the very reason that the powers of the Parliament of Canada relating to marriage and divorce are exclusive. Reference has been made to the Exchequer Court by the former Leader of the Government (Hon. Mr. Aseltine), by the honourable senator from Rigaud (Hon. Mr. Dupuis), and by other honourable gentlemen. I think that Mr. Stanley Knowles sponsored some legislation in that regard some years ago. It is not only the Exchequer Court that could deal with it; a new federal court could be created by Parliament, and that court could sit only in Ottawa and could hear each divorce case.

I gave some figures on March 29, 1960, which will be found in Senate *Hansard* at pages 450 and 451. But in this year of grace, 1962, I would like my colleagues to be free of all responsibility with regard to divorce matters by entrusting them to judges who will have at their disposal means to check the veracity of witnesses and who will see to it that everybody enjoys fairness and justice in divorce matters. This will not encourage divorce at all. If in some provinces there are more divorces than in others, it is because there the grounds for divorce are more extensive.

I submit all this to you, honourable colleagues, appealing to your sense of fairness to remedy the situation.

I have a number of suggestions for using your brilliant minds to accomplish something that will mean more to the country than the obligation you now have to listen to divorce cases.

Motion agreed to and reports adopted.

Leave having been given to revert to the order for motions:

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-1, for the relief of Madeleine Francoise Hankowski.

Bill SD-2, for the relief of Bruce Reid Campbell.

Bill SD-3, for the relief of William Metcalfe Watt.

Bill SD-4, for the relief of Mildred Dawson Meakins.

Bill SD-5, for the relief of Marion Ruth Catherine Slattery.

Bill SD-6, for the relief of Sonja Bagry.

Bill SD-7, for the relief of Lena Quelle.

Bill SD-8, for the relief of Frank Zeitlhofer.

Bill SD-9, for the relief of John Harman.

Bill SD-10, for the relief of Esther Wertheimer.

Bill SD-11, for the relief of Rachela Zimber.

Bill SD-12, for the relief of Alethea Sarah Ivy Fowler.

Bill SD-13, for the relief of Rosemary Beatrice Clare.

Bill SD-14, for the relief of Isadore Titleman.

Bill SD-15, for the relief of Agnes Irene Seaman.

Bill SD-16, for the relief of Margaret Ada Lewis.

Bill SD-17, for the relief of Beverley Trachtenberg, otherwise known as Beverly Tratt.

Bill SD-18, for the relief of Demetre Almyriotis.

Bill SD-19, for the relief of Cynthia Elsie Scott.

Bill SD-20, for the relief of June Blickstead.

Bill SD-21, for the relief of Stella Leblanc.

Bill SD-22, for the relief of Gerda-Sascha Rozwadowski.

Bill SD-23, for the relief of Josephine Isabella Geiger.

Bill SD-24, for the relief of Margarete Gerda Ruhnau.

Bill SD-25, for the relief of Margaret Catherine Smith.

Bill SD-26, for the relief of Kate Gillman.

Bill SD-27, for the relief of Barbara Ann Wallace.

Bill SD-28, for the relief of Marie Claire Rolande Dubois.

Bill SD-29, for the relief of Sheila Liebling.

Bill SD-30, for the relief of Elizabeth Shaw Fisher Reid.

Bill SD-31, for the relief of Marie Jeanne Beaulieu.

Bill SD-32, for the relief of Maurice Lebel.

Bill SD-33, for the relief of Gilles Graveline.

Bill SD-34, for the relief of Simonne Michele Mona Bouchard.

Bill SD-35, for the relief of Anne Marie Asselin.

Bill SD-36, for the relief of Hale Calvin Reid.

Bill SD-37, for the relief of Lorna Scherzer.

Bill SD-38, for the relief of Leomay Marie Blanche Stratton.

Bill SD-39, for the relief of Sylvia Aucoin.

Bill SD-40, for the relief of Frances Cynthia Nevitt.

Bill SD-41, for the relief of Lily Worthington.

Bill SD-42, for the relief of Dorothy Doreen Howell.

Bill SD-43, for the relief of Joyce Evelyn Ranger.

Bill SD-44, for the relief of Jeannine Furoy.

Bill SD-45, for the relief of Myrtle Alice Southwood.

Bill SD-46, for the relief of Elsie Jean Delisle.

Bill SD-47, for the relief of Josephine Suhr Moseley.

Bill SD-48, for the relief of Christine Johnson.

Bill SD-49, for the relief of Real Richard.

Bill SD-50, for the relief of Monique Remy.

Bill SD-51, for the relief of Paul Emile Niquette.

Bill SD-52, for the relief of Elsa Munch.

Bill SD-53, for the relief of Lygery Varverikos.

Bill SD-54, for the relief of Jeannine Elizabeth Sharpe.

Bill SD-55, for the relief of Anita Cleri.

Bill SD-56, for the relief of John Andrew Milne.

Bill SD-57, for the relief of Germaine Marie Therese Hinksman.

Bill SD-58, for the relief of Mary Catherine Weatherby.

Bill SD-59, for the relief of Gerald William Henderson.

Bill SD-60, for the relief of Joseph Arthur Norman William Edwards.

Bill SD-61, for the relief of Irene Ross.

Bill SD-62, for the relief of Anna Luella Matthews.

Bill SD-63, for the relief of Gladys Ethel Sarah Bergeron.

Bill SD-64, for the relief of Hazel Durocher.

Bill SD-65, for the relief of Lily (Laura) Anita Karbelnik.

Bill SD-66, for the relief of Margot Scott Connor.

Bill SD-67, for the relief of James Richard Williamson.

Bill SD-68, for the relief of Micheline McGuire.

Bill SD-69, for the relief of Miriam White.

Bill SD-70, for the relief of Lloyd James Simpson.

Bill SD-71, for the relief of Felix Hollinger.

Bill SD-72, for the relief of Gizella Ethel Bogoly.

Bill SD-73, for the relief of Françoise Campion.

Bill SD-74, for the relief of Suzi Elizabeth Perry.

Bill SD-75, for the relief of Dawn Dorothea Marsden.

Bill SD-76, for the relief of Pawel Olejnik.

Bill SD-77, for the relief of Joyce Ethel Empey.

Bill SD-78, for the relief of Gabriela Kiwitt.

Bill SD-79, for the relief of Herve Gauthier.

Bill SD-80, for the relief of Jean Alexandria Etheridge.

Bill SD-81, for the relief of John Joseph Huitson.

Bill SD-82, for the relief of Dorothy Irene Marjorie Adams.

Bill SD-83, for the relief of Judith Elizabeth Caron.

Bill SD-84, for the relief of Joan Mary Pearson.

Bill SD-85, for the relief of Glen Stewart Tornay.

Bill SD-86, for the relief of Nellie Rothman.

Bill SD-87, for the relief of Jacqueline Belanger.

Bill SD-88, for the relief of Blima (Wendy) Shapiro.

Bill SD-89, for the relief of Gladys Jean Desjardins.

Bill SD-90, for the relief of Gladys Noreen Monette.

Bill SD-91, for the relief of Celia Lesnik

Bill SD-92, for the relief of Clara Edith Papp.

Bill SD-93, for the relief of Frances Lyman.

Bill SD-94, for the relief of Anton Welte.

Bill SD-95, for the relief of Giuseppe de Cristoforo.

Bill SD-96, for the relief of Wilfrid Giroux.

Bill SD-97, for the relief of Margaret Ellynore Abbott.

Bill SD-98, for the relief of Madge Estelle Pinkerton.

Bill SD-99, for the relief of Angus McIntosh.

Bill SD-100, for the relief of May Margaret Morelli.

Bill SD-101, for the relief of Linnea Erna Barbara Walker.

Bill SD-102, for the relief of Joan Marjorie Gregor-Pearse.

Bill SD-103, for the relief of Jean Guy Prud'homme.

Bill SD-104, for the relief of Aline Helene Smith.

Bill SD-105, for the relief of Alexander Burke.

Bill SD-106, for the relief of Beverley Hayden Crerar.

Bill SD-107, for the relief of Brigitte Dophide.

Bill SD-108, for the relief of Constance Valerie Laurie.

Bill SD-109, for the relief of Robert Harrison.

Bill SD-110, for the relief of Marketa Tata.

Bill SD-111, for the relief of Margaret Anna Kenwood.

Bill SD-112, for the relief of Robert Charles Chapman.

Bill SD-113, for the relief of Rose Duval.

Bill SD-114, for the relief of Louise Doyle.

Bill SD-115, for the relief of Sandra Elizabeth McVety.

Bill SD-116, for the relief of Jean Bernard L'Heureux.

Bill SD-117, for the relief of Mildred Kligman.

Bill SD-118, for the relief of Lucille Goresky.

Bill SD-119, for the relief of Ivy Elizabeth Sherry.

Bill SD-120, for the relief of Haidy Amalie Madelaine Jack.

Bill SD-121, for the relief of Florence Patricia Da Silva.

Bill SD-122, for the relief of Nancy Ruth Grabina.

Bill SD-123, for the relief of Paul Aime Bedard.

Bill SD-124, for the relief of Edward Sidney Mansfield.

Bill SD-125, for the relief of Harry Hyman.

Bill SD-126, for the relief of Patricia Rose Rankin.

Bill SD-127, for the relief of Marsha Liberman.

Bill SD-128, for the relief of Elizabeth Lillian Small.

Bill SD-129, for the relief of Catherine Mildred Gray.

Bill SD-130, for the relief of Klara Brody.

Bill SD-131, for the relief of Rene Hebert.

Bill SD-132, for the relief of Abie Herscovitch, otherwise known as Allan Herscovitch.

Bill SD-133, for the relief of Rosaire Gauthier.

Bill SD-134, for the relief of Gerhard Hermann Buchholz.

Bill SD-135, for the relief of Joseph Fortin Decelles.

Bill SD-136, for the relief of Guy Bertrand.

Bill SD-137, for the relief of Dorothy Estelle Lord.

Bill SD-138, for the relief of Claire Bradford.

Bill SD-139, for the relief of Leonard Marchand, otherwise known as Leonard Mihalcean.

Bill SD-140, for the relief of Olga Antonina Burkousky.

Bill SD-141, for the relief of Sheila Wolofsky

Bill SD-142, for the relief of Geraldine Cecilia Gohier.

Bill SD-143, for the relief of Jean Helen Donnan.

Bill SD-144, for the relief of Michele Breuer.

Bill SD-145, for the relief of Magella Bergeron.

Bill SD-146, for the relief of Wilhelmina Grundy.

Bill SD-147, for the relief of Lillian Florence Catherine Hurst.

Bill SD-148, for the relief of Guy Bertrand.

Bill SD-149, for the relief of Sylvia Bertha Spires.

Bill SD-150, for the relief of Geraldine Ludgarde Romer.

Bill SD-151, for the relief of Sylvia Socaransky.

Bill SD-152, for the relief of Dorothy Gladys Faucher.

Bill SD-153, for the relief of Jean Alice Rinder.

Bill SD-154, for the relief of Maria Lenkei, otherwise known as Maria Leichtag.

Bill SD-155, for the relief of Ines Barbara Levy.

Bill SD-156, for the relief of Elizabeth Helen Brown.

Bill SD-157, for the relief of Stasys Vysniauskas.

Bill SD-158, for the relief of Joan Jeanette Krautle.

Bill SD-159, for the relief of Thelma Freeman.

Bill SD-160, for the relief of Rose Coletta.

Bill SD-161, for the relief of Dora Elfriede Elizabeth Christian Kovaks, otherwise known as Dora Elfriede Elizabeth Christian Kovac.

Bill SD-162, for the relief of Wilma Gloria Bryson.

Bill SD-163, for the relief of Donald Edgar Hicks.

Bill SD-164, for the relief of Ruth Moss.

Bill SD-165, for the relief of Marie-Louise Guay.

Bill SD-166, for the relief of Marie Raymonde Violetta Dalpe.

Bill SD-167, for the relief of Helene Denise Vien.

Bill SD-168, for the relief of Anna Elizabeth Strickland.

Bill SD-169, for the relief of Evelyn Frances Rae.

Bill SD-170, for the relief of Catherine Gerasimos Andrulakis.

Bill SD-171, for the relief of Toni Anna Lydia Weiss, otherwise known as Toni Anna Lydia Weisz.

Bill SD-172, for the relief of Kathleen Ryan.

Bill SD-173, for the relief of Doris Sybil Jane Hassall.

Bill SD-174, for the relief of Elizabeth Anne Kotania.

Bill SD-175, for the relief of Hyman Omri Tannenbaum.

Bill SD-176, for the relief of Rosa Jacobson.

Bill SD-177, for the relief of Stephen Alexander Lantos.

Bill SD-178, for the relief of Frank Hamilton Mingie, junior.

Bill SD-179, for the relief of Frieda Lina Schaub.

Bill SD-180, for the relief of Alma Ivy Bankley.

Bill SD-181, for the relief of Colleen Ann Kenny.

Bill SD-182, for the relief of Phyllis Carol Johnston.

Bill SD-183, for the relief of Leonard Emond.

Bill SD-184, for the relief of Edith Rozel McDougall.

Bill SD-185, for the relief of Kenneth Allen Blight.

Bill SD-186, for the relief of Ellen Chase McKellar.

Bill SD-187, for the relief of Mona Pozza.

Bill SD-188, for the relief of John Faucher.

Bill SD-189, for the relief of Violet Pearl St. James Lemoine.

Bill SD-190, for the relief of Ann Marguerite MacDonald.

Bill SD-191, for the relief of Eva Florence Plaskett.

Bill SD-192, for the relief of Karl Heinz Kerlikowsky.

Bill SD-193, for the relief of Hilda Desjardins.

Bill SD-194, for the relief of Sandra Mary Louise Martin.

Bill SD-195, for the relief of Mary Iris Fournier.

Bill SD-196, for the relief of Rosemary Louise Eakins.

Bill SD-197, for the relief of Phyllis Manoah.

Bill SD-198, for the relief of Jean Elizabeth O'Reilly.

Bill SD-199, for the relief of Maureen Mary Piercey.

Bill SD-200, for the relief of Josephine Mary Croll.

Bill SD-201, for the relief of Milton Lawrence Trickey.

Bill SD-202, for the relief of William John Loke.

Bill SD-203, for the relief of Anita Guido Knezevic.

Bill SD-204, for the relief of Shirley Brimacombe.

Bill SD-205, for the relief of Betty O'Neil.

Bill SD-206, for the relief of Rebecca Rosenstrauss.

Bill SD-207, for the relief of Paulyne Leblanc.

Bill SD-208, for the relief of Marie Joan Patricia Jeffries.

Bill SD-209, for the relief of Isadore Rosenblatt.

Bill SD-210, for the relief of Alice Elizabeth Clarke.

Bill SD-211, for the relief of Armando Argentini.

Bill SD-212, for the relief of Molly Sacks.

Bill SD-213, for the relief of Joseph Jean Paul Fernand Blanchette.

Bill SD-214, for the relief of Karl-Heinz Hans Luedders.

Bill SD-215, for the relief of Leslie Thomas Norval Modler.

Bill SD-216, for the relief of Amy Sandra Glendinning.

Bill SD-217, for the relief of Muriel Howarth Hulbig.

Bill SD-218, for the relief of Kathleen Sangster.

Bill SD-219, for the relief of Phyllis Siev.

Bill SD-220, for the relief of Marjorie Brown.

Bill SD-221, for the relief of Jean Letovsky.

Bill SD-222, for the relief of Shirley Margaret Woolley.

Bill SD-223, for the relief of Nathalie Longtin.

Bill SD-224, for the relief of Vida Irene Louise McCallum.

Bill SD-225, for the relief of Margaret Joan Digby.

Bill SD-226, for the relief of Nadia-Anne Hruszij.

Bill SD-227, for the relief of Maureen Knowles.

Bill SD-228, for the relief of Joyce Irene Larocque.

Bill SD-229, for the relief of Rolland Commoy.

Bill SD-230, for the relief of Ginette Noela Melanie Soulier.

Bill SD-231, for the relief of Jeannette Carignan.

Bill SD-232, for the relief of Nora Bridget Lahey.

Bill SD-233, for the relief of Virginia Ruth Parmiter.

Bill SD-234, for the relief of Betty Ankhelyi.

Bill SD-235, for the relief of Susanne Reiner.

Bill SD-236, for the relief of Marie Emilia Rolande Gittens.

Bill SD-237, for the relief of Suzanne Chasse.

Bill SD-238, for the relief of Barbara Patricia Rogers.

Bill SD-239, for the relief of Roland Demers.

Bill SD-240, for the relief of Lajos Nagy, otherwise known as Louis Nagy.

Bill SD-241, for the relief of Eloise Sonne.

Bill SD-242, for the relief of Jennie Zajko.

Bill SD-243, for the relief of Robert Fleischer.

Bill SD-244, for the relief of Hugh O'Connor.

Bill SD-245, for the relief of Charles Harold Page.

Bill SD-246, for the relief of Vera Irene MacKenzie.

Bill SD-247, for the relief of Guy Lefebvre.

Bill SD-248, for the relief of Beverley Ann Maughan.

Bill SD-249, for the relief of Marie Theresa Sckyra.

Bill SD-250, for the relief of Barbara Gladys Gregory.

Bill SD-251, for the relief of Mary Yvonne Giguere.

Bill SD-252, for the relief of Ion Ignatescu.

Bill SD-253, for the relief of Carmen Abrams.

Bill SD-254, for the relief of Margaret Elaine Gallagher.

Bill SD-255, for the relief of Haia (Clara) Fuchsman.

Bill SD-256, for the relief of Lois Budd.

Bill SD-257, for the relief of Elizabeth Laptew.

Bill SD-258, for the relief of Mary Gallagher.

Bill SD-259, for the relief of Margit Bene.

Bill SD-260, for the relief of Therese Genest.

Bill SD-261, for the relief of Aranka Ilona Berendy.

Bill SD-262, for the relief of Margaret Anne Harvey.

Bill SD-263, for the relief of Joseph Maurice Sealy.

Bill SD-264, for the relief of Valerie Jean Morton.

Bill SD-265, for the relief of Ruth Ilona Elkin.

Bill SD-266, for the relief of Lorraine Burt.

Bill SD-267, for the relief of Denise Bachelder.

Bill SD-268, for the relief of Nicole Marie Geoffroy.

Bill SD-269, for the relief of Martin Simeon Levy.

Bill SD-270, for the relief of James Robert Breslin.

Bill SD-271, for the relief of Marcelle Rosenberg.

Bill SD-272, for the relief of Judith MacBeth Cuggy.

Bill SD-273, for the relief of Irene Tyminski.

Bill SD-274, for the relief of Percy Beauvais.

Bill SD-275, for the relief of Harold Moreau.

Bill SD-276, for the relief of Mabel Lucille Mills.

Bill SD-277, for the relief of Zbigniew Stanislaw Janicki.

Bill SD-278, for the relief of Anna May Sergent.

Bill SD-279, for the relief of Joseph Philippe Philias Fabien Parent.

Bill SD-280, for the relief of William Rankin Edmondson.

Bill SD-281, for the relief of Josephine Rose Nawrocki.

Bill SD-282, for the relief of Zelda Barbara Kimberg.

Bill SD-283, for the relief of Doris Irene Trerice.

Bill SD-284, for the relief of Alexandra Deliyannakis.

Bill SD-285, for the relief of Patricia Beverley Dimeo.

Bill SD-286, for the relief of Agnes Agai.

Bill SD-287, for the relief of Aida Diotte.

Bill SD-288 for the relief of Beverley Anne Runions.

Bill SD-289, for the relief of Karl Heinz Wunderlich.

Bill SD-290, for the relief of Marie Greensell.

Bill SD-291, for the relief of Bertha Staruch.

Bill SD-292, for the relief of Ruby Rita Smith.

Bill SD-293, for the relief of Patricia Ann Small.

Bill SD-294, for the relief of Pardo Belpulso.

Bill SD-295, for the relief of Helena Jadwiga Igiel Wodnicki.

Bill SD-296, for the relief of Adele Kathleen Strachan.

Bill SD-297, for the relief of Elizabeth Angela Stirling.

Bill SD-298, for the relief of William Henry Monaghan.

Bill SD-299, for the relief of Nicholas Cimbru Chambers.

Bill SD-300, for the relief of Georgine Plzak.

Bill SD-301, for the relief of Joseph Leo Gerard Bougie.

Bill SD-302, for the relief of Albert Henry Grabeldinger Willis.

Bill SD-303, for the relief of Jeannie Belchik.

Bill SD-304, for the relief of Sylvia Dankner.

Bill SD-305, for the relief of John Donaldson.

Bills read first time.

SECOND READING

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

Hon. Mr. Roebuck: With leave of the Senate, I move that these bills be read the second time now.

Motion agreed to and bills reads second time, on division.

THIRD READING

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

Hon. Mr. Roebuck: With leave of the Senate, I move that these bills be read the third time now.

Hon. Mr. Pouliot: On division.

Hon. Mr. Macdonald (Brantford): Do I understand that these are the bills that were considered last session?

Hon. Mr. Roebuck: They are, and these are the bills that follow the reports that we have just adopted.

Hon. Mr. Macdonald (Brantford): These bills received third reading last session in the Senate but were not passed by Parliament?

Hon. Mr. Roebuck: That is right.

Motion agreed to and bills read third time and passed, on division.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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 Marcel Lambert, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, October 30, at 8 p.m.

THE SENATE

Tuesday, October 30, 1962

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

Prayers.

THE LATE SENATOR FRASER

TRIBUTES

Hon. Lionel Choquette: Honourable senators, it is my sad duty to say that since last we met we have lost a much respected colleague. I refer, of course, to our good friend, Senator William Alexander Fraser, who passed away at his home in Trenton on Friday last, at the age of seventy-six.

Senator Fraser served his country in this chamber for over thirteen years, and his wise counsel will be very much missed. He was born and educated in Trenton, and over the course of his lifetime played a large part in the business and political life of that town, and as well throughout all of Ontario.

As a prominent industrialist and fruit grower, the late Senator was director of a number of companies in the canning and lumbering fields. He was president of Trenton Cooperage Mills Limited, which he founded. He was also a leader in the fruit growing field, which was one of his special interests.

His service in public life was not confined to the contribution he made in this chamber. From 1930 until 1945 he represented the constituency of Northumberland in the House of Commons with great distinction. Prior to that, from 1924 until 1930, he was mayor of his native town of Trenton. In the First World War he served with the 49th regiment. Honourable senators, I wish to extend my sincere sympathy to our late colleague's widow and immediate family and to the many close personal friends who, with us, mourn his passing.

Hon. W. Ross Macdonald: Honourable senators, our late colleague was a man of strong views. He had strong likes and dislikes. He was never lukewarm about anything. Always faithful to his friends, he never took a middle course; he never sat on the fence. We always knew where he stood, and that applied also to his political views. Indeed, he was usually impatient with anyone who did not see exactly as he did politically. However, we all respected him for his strong views.

Senator Fraser's life was a series of successes. As the Deputy Leader of the Government (Hon. Mr. Choquette) has said, he served his municipality on various boards and as an alderman. He was very proud of the town of Trenton and eventually became its mayor. His county elected him a member of the House of Commons. Later, he was appointed to the Senate, and was a member of this house for thirteen years.

The late Senator Fraser was raised on a farm, and his first undertaking was that of farming. He was a most successful farmer, and had one of the largest orchards in Ontario. He processed his fruit by modern methods, and was one of the first growers to give spring delivery of the previous fall's crop in perfect condition. He also had a creamery and was interested in the cheese processing business. As an industrialist he established a cement plant and an iron and steel works in the town of Trenton. He was also in the hotel business. He was a promoter of the Lord Elgin Hotel here in Ottawa, and more recently a promoter and a director of the Lord Simcoe Hotel in the city of Toronto. His interests extended to the newspaper world, and he established and was the proprietor of a newspaper in Trenton.

The late senator loved his home town of Trenton and did many things for it. He was anxious that the Royal Canadian Air Force should establish a base in Trenton, and it was due in large measure to his enthusiasm that consideration was given by the Government to the establishment of an R.C.A.F. station there. One of the factories he caused to be established in Trenton was that of the Bata Shoe Company. The owners of that company came to Canada from abroad in the early days of the war and established a factory in Trenton. It was one of the first large factories to be set up in Canada with sponsorship from abroad.

Most of the late senator's ventures were a financial success. I have said that he was outspoken and at times unrestrained in his language, but he was a very kind soul. He was charitable and helped many who were in need. Though it was not generally known, he frequently came to the help of persons in financial difficulties. He took a lively interest in the Salvation Army and established a playground for children in Trenton, which is now being operated by that organization.

I join with the Deputy Leader of the Government (Hon. Mr. Choquette) in extending my sympathy to Mrs. Fraser and those who were near and dear to the late senator.

Hon. Jean-François Pouliot: Honourable senators, in May, 1934, Mr. Herb Lennox, who was the former Conservative Member of Parliament for North York, died. He was my pair, and I said a few words about him and his career in a ceremony such as this

which took place at that time in the House of Commons. Afterwards my old friend Bill Fraser said to me, "If I die before you, I ask you to say something about me in the House of Commons". At that time he never expected to be appointed to the Senate. But what he then said to me meant that our friendship was to last until one of us should depart. This, honourable senators, is the kind of friendship which exists in parliamentary life and which may be considered the reward that we may expect from such a life.

Those who knew Bill Fraser in his later years could not imagine what a ball of fire he was when delivering a speech in the House of Commons, especially about the marketing legislation sponsored by Prime Minister Bennett in 1935. We were very different from each other, but we were very good friends nevertheless. Bill Fraser was one of the most useful members of Parliament to serve his country in both houses of the Parliament of Canada.

I agree with what has been said so eloquently by the honourable Deputy Leader of the Government (Hon. Mr. Choquette) and the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford), but I have something else to add. On Sunday last I received a long distance telephone call from one of our esteemed colleagues, Honourable Senator McLean of Saint John, the room-mate of the late Senator Fraser. He told me that he probably knew the late senator better than anybody else, and that as he would be attending his funeral today he would be unable to be with us tonight in order to pay a final tribute here to his room-mate and friend.

He told me that when Senator Fraser gave help to anyone he did it out of the kindness of his heart, and he told those who felt that he was too generous that he was investing those gifts in the bank of kindness and goodness in order to obtain dividends when he went to the Great Beyond. Senator McLean added that one would be surprised to hear of the number of children of every race and colour—young Negroes and young Chinese—who had held the late senator in their arms to thank him for what he had done for them.

Senator McLean also said that Senator Fraser and his wife were most happy together, that they were worthy of each other and had the same inclination to help their fellow citizens indiscriminately, and to be kind for the sake of humanity at large. There can be no finer tribute paid to our esteemed colleague, the late senator, and to his widow, to whom I offer my most sincere sympathy. I will go further and sympathize with the citizens of Trenton who have been well represented in the House of Commons and in the Senate by our lamented friend, the late Senator William Alexander Fraser.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

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

> Ordered—That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Baskin, Belzile, Bigg, Boutin, Brewin, Casselman (Mrs.), Clancy, Coates, Cote, Crossman, Davis, Denis, English, Fairweather, Fisher, Forbes, Gordon, Gray, Gregoire, Haidasz, Hanbidge, Horner (Jasper-Edson), Howe, Lachance, Laniel, Latulippe, MacInnis, Martin (Essex East), Matheson, Matte, McGee, Meunier, More, Munro, Nixon, Ormiston, Phillips, Plourde, Simpson, Skoreyko, Slogan, Smith (Calgary South), Stewart, Wahn and Walker a Committee to assist His Honour the Speaker in the direction of the Library of Parliament so far as the interests of the House of Commons are concerned, and to act on behalf of this house as members of a Joint Committee of both houses on the Library.

Ordered, that the message do lie on the Table.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

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

> Ordered—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 the following Members: Messrs. Alkenbrack, Berger, Boucher, Bourque, Bradley, Cadieu, Cadieux, Caron, Chaplin, Cooper, Cowan, Crossman, Drouin, Dumont, Ethier, Eudes, Fane, Gagnon, Grills, Hanbidge, Harley, Horner (Jasper-Edson), Howe, Kelly, Kindt, Lamy, Laniel, Latulippe, Leduc, Legere, Lessard (Saint Henri), Loiselle, MacInnis, McDonald (Hamilton South), McIntosh, McNulty, Moore, More, Muir, (Cape Breton North and Victoria), Nasserden, Otto, Ouellet, Pilon, Prittie, Rondeau, Rowe, Sams, Scott, Skoreyko, Smallwood, Smith (Calgary South), Stenson,

Tardif, and Whelan will act as Members on the part of this house on the said Joint Committee on the Printing of Parliament.

Ordered, that the message do lie on the Table.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

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

> Ordered—That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Badanai, Belzile, Byrne, Cameron (High Park), Cook, Denis, Doucett, Gundlock, Hales, Harley, Hodgson, Horner (The Battlefords), Legere, Macdonald (Mrs.), MacRae, Marcoux, Martin (Timmins), Pugh, Richard, Rinfret, Roy, Stefanson, Tardif, Walker and Webster a Committee to assist His Honour the Speaker in the direction of the Parliamentary Restaurant so far as the interests of the House of Commons are concerned, and to act on behalf of this house as members of a Joint Committee of both houses on the Restaurant.

Ordered, that the message do lie on the Table.

DIVORCE

NEWSPAPER ARTICLE—PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators, may I be permitted to rise on a question of privilege? I do not believe in the "holier than thou" doctrine. I refer to a despatch from the Canadian Press which was published by most newspapers on Friday last in which it was said that Senator Pouliot was the only one to vote against divorce. That is not exact. I remember distinctly that, when the bills were brought before this house and we were asked if we would concur, I said "on division". This could have been said by Your Honour; it might have been said by the Clerk of the House; it could have been said by any one of us, for all of us who do not agree with a particular measure. It was just an expression of opinion concerning some legislation.

I want to point out to the press that it is very difficult to report exactly what is said in the Senate. It could be reported verbatim but it is very difficult on strictly legal matters to make comments which are fair. For instance, when any piece of legislation is brought before this chamber and someone says "on division", it means that the opinion of those who do not favour that type of legislation is respected, whether they are here or not. What was said by me was said for all those who did not agree with that legislation, although I had no special power of attorney from anyone to say it. I spoke for myself alone; but I do not see the necessity for all those who do not favour that legislation to repeat, one after another, "on division", "on division", "on division". It would be useless. When it is said once, it is said for all those who think likewise.

Therefore, I do not pretend to have been the only one who voted against divorce. I did not vote at all. I just expressed an opinion, a dissent, which was shared by a certain number of my honourable colleagues. That is all.

I want to make that rectification at this time of the day so that there may be no misunderstanding.

Hon. Mr. Horner: Mr. Speaker,—

The Hon. the Speaker: Order! There is nothing before the Chair. The point raised is not debatable.

DOCUMENTS TABLED

Hon. Lionel Choquette tabled:

> Copy of Statutory Orders and Regulations published in *The Canada Gazette*, Part II, of Wednesday, October 24, 1962, pursuant to section 7 of the Regulations Act, Chapter 235, R.S.C., 1952. (English and French texts).
>
> Report, dated October 4, 1962, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the Distribution and Sale of Electric Appliances, Electric Shavers and Accessory Products (Sunbeam Corporation (Canada) Limited). (English text).
>
> Report of the administration of the Fitness and Amateur Sport Act for the fiscal year ended March 31, 1962, pursuant to section 13 of the said act, chapter 59, Statutes of Canada, 1960-61. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 307 to 348.

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

Hon. Mr. Roebuck: Honourable senators, I move that these reports be considered at the next sitting.

Hon. Mr. Pouliot: On division.

Hon. Mr. Vaillancourt: On division.

Motion 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. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Harry A. Willis: Honourable senators, this is my maiden speech in this august assembly. As a senator from the province of Ontario, I must first of all pay tribute to the late Senator Fraser. I did not know him personally, although in the realm of provincial politics in Ontario our paths often crossed. I join with those who have already spoken in conveying to the late senator's family condolences on his passing.

My second tribute must be to you, Mr. Speaker, whom I have known for many years, and of whom I can speak most favourably. I congratulate you upon your attainment to the high office you now occupy. Those of us who were present in this chamber on the opening day of Parliament, knowing that you had but a few days to prepare, were delighted by your performance. If it is permissible to do so, I should like to pay tribute to your lovely and charming wife who, together with you, fulfils the social amenities in the highest taste.

The Leader of the Government (Hon. Mr. Brooks)—the Government which I support—told us last week that he would be unable to be present this evening. I want to congratulate him *in absentia* upon his elevation as Leader of the Government in the Senate.

I congratulate my old associate from Ottawa East (Hon. Mr. Choquette), who has risen to the role of deputy leader, which he fills most admirably.

I pay tribute to the Leader of the Opposition (Hon. Mr. Macdonald, Brantford), who is an old friend of mine, though different in politics. He and I have been members of the Board of Governors of McMaster University for many years. I wish him well, and I hope he remains in his present position for a long, long time. I want him to know that I sincerely appreciate the courtesies he and his family have extended to me.

I come now to the senators from Ontario. I cannot refer to them all, but one I should like to refer to in particular is the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I remember him as Attorney General of Ontario under a Liberal Government. As such, he introduced many measures in the Ontario legislature which were highly beneficial to the province. Perhaps I should have mentioned my friend, the honourable senator from Toronto (Hon. Mr. Hayden) first, for his was a prior appointment. He and I have known each other for many years.

I would also mention the senator from Toronto (Hon. Mr. Campbell), who is absent this evening. I am privileged to serve on certain boards with him.

Next I would mention the senator from Toronto-Spadina (Hon. Mr. Croll), a man of independent spirit, whom I have always admired.

It gives me pleasure also to speak of the senator from Ottawa (Hon. Mr. Lambert), who is a long-standing acquaintance of mine, and was one of the first to greet me when I came to this chamber.

May I say also that the senator from Ottawa West (Hon. Mr. Connolly) did me a certain courtesy not long ago which I appreciated most deeply; there are not many who would have done for me what he did, and I want to express my appreciation to him in this chamber.

I come now to one of the senators who is newer here than I—I am one or two up on him—namely, the senator from Gormley (Hon. Mr. McCutcheon). He and I are good friends of long standing, for we were associated together in earlier years at law school at Osgoode Hall. The Government could not have appointed a more masterful financier than he. It is said that he can read and analyze a financial statement or the estimates tabled in the house with the same scissor-like precision that Senator Sullivan performs operations. I congratulate Senator McCutcheon, as a member of the Government, and I also congratulate the Government on his inclusion.

Senator Sullivan, who sits on this side, as all honourable senators know, is an eminent ear specialist. I compliment him on being first in his field. As many honourable senators know, he won his laurels in athletics as a member of Canada's Olympic championship hockey team in 1928.

I do not know whether jokes are permissible in this chamber, but if they are not I am sure His Honour the Speaker will call me to order. But I want to say to Senator Sullivan that I am reminded of a certain lawyer who sent out bills for services on any and every pretext. He met a client one day on the street who said to him, arbitrarily: "It's a fine day—I'm telling you, not asking you."

I want to congratulate the mover (Hon. Mr. Haig) and the seconder (Hon. Mr. Fournier, Madawaska-Restigouche) of the Address in Reply on their splendid efforts. Unfortunately they are both absent this evening. Senator Haig is living up to the reputation which his father forged in this chamber, and Senator Fournier is living up to the reputation he established in the province of New Brunswick.

Honourable senators, I do not know if it is permissible to pay a tribute to an officer of the Senate, but I am going to do so anyway. Again, I know His Honour the Speaker will call me to order, if necessary. I want to mention Mr. MacNeill the Clerk of the Senate, who has been guide, philosopher and friend to me. In my opinion, he is one of the top officers in the whole Parliament of Canada.

Hon. Senators: Hear, hear.

Hon. Mr. Willis: Honourable senators, I come from the county of Peel which I am very proud to represent in this assembly, for it is the banner county of Ontario. Senator Blain represented the county of Peel from 1917 until his death in 1926, and I am proud to succeed him here.

I was interested the other day in the exchange between the senator from Lumsden (Hon. Mr. Pearson) and the senator from Kennebec (Hon. Mr. Vaillancourt) with respect to the Land Use Committee. Senator Vaillancourt spoke about the eastern farmer, and Senator Pearson about the western farmer. I am a farmer from the central province of Ontario, and I do not want the farmers of my province to be forgotten, for we have problems just as do the farmers of eastern and western Canada. I come from township of Caledon, where I farm the old homestead. My father was warden of the county of Peel and so were my two uncles. My father married a Liberal.

Hon. Mr. Macdonald (Brantford): I knew there was some good in you.

Hon. Mr. Willis: My uncle was past president of the Liberal Association, and when I came to marry I chose a darn good Liberal girl by the name of Mary Dryden—a prominent surname in Liberal history in Ontario. Her grandfather was Minister of Agriculture in that province for twenty years, and her father was quite active in Liberal politics. When I phoned her father to say that I hoped to marry his daughter he said, "I think you are all right but you are a heck of a Tory"—but he didn't use the word "heck".

Now, honourable senators, I want to pay a tribute to the honourable Senator Fergusson. I am sorry she is not here tonight. She preceded me in this debate in both eloquence and delivery. She reminded me of Longfellow's Evangeline. Historically, Evangeline came from Nova Scotia. I admire the Maritimes, I admired the honourable senator's speech, and I sent her a note afterwards saying that it would be difficult to follow her in the debate.

Now I come to the point where, as the honourable senator from Carleton (Hon. Mr. O'Leary) said, he entered this chamber as a Conservative. I come from a family where one Conservative vote was a worth while target in an election. When the honourable senator from Carleton was speaking he made me think of these words of Gilbert and Sullivan:

> I often think it's comical
> How nature always does contrive
> That every boy and every gal,
> That's born into this world alive,
> Is either a little Liberal,
> Or else a little Conservative.

With all the splinter groups in the other house, that may not be true today.

But I come here with no apologies whatsoever.

The first night that this assembly met we paid our respects to late departed senators, one of whom was an intimate friend of mine, the late Senator Brunt.

On the second occasion we met in this chamber the honourable senator from De la Durantaye (Hon. Mr. Pouliot) rose and asked a candid question and demanded a candid answer. So far none of the newly-named senators have answered him. But tonight I am going to answer his inquiry. I have looked up the British North America Act just to refresh my memory, and I find that the appointment of senators to this chamber is by order in council and by tradition it has become the prerogative of the Prime Minister in office. On this, honourable senators, I quote an eminent constitutional authority who had this to say:

> I think party supporters must have respect for and show loyalty to their leaders. I show loyalty to my leader; I am ready to defend him because I am proud of him.

Now, who said that? It was Mr. Pouliot, when he was member for Temiscouata in the other house, the same Senator Pouliot who is here tonight. I agree with him completely in the statement he made.

Hon. Mr. Pouliot: If my honourable friend will permit an interruption—I appreciate very much the fact that he has read some of my speeches, and I hope that he will live long enough to read them all.

Hon. Mr. Willis: That, honourable senators, is the direct quotation from a speech made in the other house on April 29, 1926, and when a friend—and Senator Pouliot is my friend, for I have known him for many years—asks a candid, friendly question and calls for a candid answer, I say to him what George Canning said as Prime Minister of Great Britain in the Mother of Parliaments:

> Give me the avowed, the erect, the manly foe,
> Bold I can meet,—perhaps may turn his blow;
> But of all plagues, good Heaven, thy wrath can send,
> Save, save, oh, save me from the Candid Friend.

Honourable senators, I now want to speak on the record of the present Government and the Speech from the Throne. I want first to speak about something that all senators know —this Government gave Indians the right to vote for the first time in the election of 1962. Who got their votes, I do not know, but they voted. The man responsible for that, apart from the present Prime Minister of Canada, was one of our members, the honourable senator from Lethbridge, (Hon. Mr. Gladstone). I say, honourable senators, that was a laudable move.

I intended to say a word or two about the honourable senator from Norfolk (Hon. Mr. Taylor). I did not know him until I came to this chamber, but I accompanied the Prime Minister in October, a year ago, to the Norfolk County Fair at Simcoe, and if ever there was a man making political hay that day it was the same Senator Taylor, and I admired him for it.

There has been a lot of criticism about the Government's appointment of royal commissions. I have looked over the list of commissions which previous governments have appointed and I find, as the Prime Minister stated in the other house, we have been in power only six years and the Liberal Government for twenty-two, and we are still one commission behind. I do want to commend the Government on the Glassco Report. How the Prime Minister was able to get a man of the stature and ability of Grant Glassco to head that commission, and the able men he had with him, I do not know. I say that that is one of the finest reports that has been handed down in Canada since the days of Confederation. It is a splendid report and it should be acted upon.

May I tell another joke that the Prime Minister sometimes relates on the hustings about people who are appointed to this house? Sir John A. Macdonald was attending the funeral of a late senator who had died in Napanee. Sir John was in, shall I say, high spirits as he was standing at the graveside. Another prominent gentleman, standing beside him, said to Sir John A., "I wish I could take his place." Sir John replied, "I wish you could, but I think it is a bit too late now."

I am sorry that the senator from Carleton (Hon. Mr. O'Leary) is not here tonight. I see that his Report on Publications is mentioned in the Speech from the Throne, and that some of his recommendations are going to be implemented. Senator O'Leary was appointed to head that commission before he became a senator. There again, the Prime Minister chose the right man for the right place in Grattan O'Leary, as we knew him then, the famous editor of the Ottawa *Journal.*

I come now to the Royal Commission on Taxation. I think this is a worthwhile study for the Government of Canada to undertake, because there are today so many taxes at so many levels—municipal, provincial, federal, all intermingling. To head that commission the Prime Minister has appointed a brilliant chartered accountant.

Then in the Speech from the Throne there is evidence of the continuation of this Government's agricultural policy. I refer to the Farm Credit Corporation Bill now being considered in the other place. It is good legislation for both the farmers and the people of Canada. Also there has never been a minister of agriculture who has sold more wheat than the present minister, the Honourable Alvin Hamilton. For years there has been talk about the surplus of wheat in Canada and questions have been raised as to how we would ever get rid of it. Now we have a young, brilliant Minister of Agriculture who comes along and does a remarkable selling job.

Honourable senators, I have read that some people are deriding the Government, but I also read the other day in the Toronto *Telegram*—I suppose there will be laughter at that reference, but it is still a good paper—an article by Edwin Mahoney, headed "France Bullish On Canada". There are many people who are bullish on Canada because of the political policies this country is adopting.

I come now to another matter dealt with in the Speech from the Throne, which may fall rather hollowly on ears opposite. I refer to the matter of closure. We heard a lot about closure in 1956, but make no mistake about it, the election of 1957 was won on that issue. The Government, in the Speech from the Throne, says that it is going to

bring down legislation for the abolition of closure. I believe that all members of this chamber should approve that legislation.

I turn now to redistribution. In the Speech from the Throne the Government says:

> To ensure that the redistribution of electoral districts is made objectively and impartially, you will be asked to approve a bill to establish an independent commission to recommend redistribution.

All parties, I suppose, have been guilty of gerrymandering, which is the political term used in connection with redistribution. Of course, the shining example of that was the Lake Centre riding. Before redistribution the Lake Centre riding was held by the present Prime Minister of Canada, and when the redistribution report was brought in all that was left of the Lake Centre riding was the lake. I do not know—perhaps the committee had a particular candidate in mind—but I might suggest that Jonah of Biblical times would have been an excellent candidate for the lake. However, the man who had held the Lake Centre seat had the courage to run in a renowned Liberal constituency, which seat he won, and he has won it on successive occasions since. I say that this Government, and the Prime Minister in particular, are to be commended for bringing in an objective and impartial measure, in the form of an independent commission, to decide how electoral redistribution should be made.

Honourable senators, I also wish to congratulate the Government on its winter works program. The Minister of Labour has been working in close co-operation with provincial and municipal governments and governments at every level. This program is working well, and is creating much employment.

I come now to the speech of my friend the honourable senator from Brantford (Hon. Mr. Macdonald). He talked at length about minority governments. As the honourable senator from Carleton (Hon. Mr. O'Leary) pointed out, minority governments have been known since the days of Pitt the Younger in England. In 1921 the then leader of the Liberal party, the Right Honourable Mackenzie King, had a minority government, and he faced the House of Commons with it. With that minority government he governed the country from 1921 to 1930 with the exception of a few months in 1926.

What has happened in the province of Ontario? My friend the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and my friend the honourable senator from Toronto-Spadina (Hon. Mr. Croll) were members of the Liberal Government in Ontario, until differences occurred. I am not going to say anything about that, but they were ministers of the Liberal Government in Ontario. What happened in 1943? The Liberal Government of that day, under the Honourable Harry Nixon, a very fine man, held about 60 or 70 seats, and when the election was over the Liberals had retained only 15 seats.

The Conservative party, led by the Honourable George Drew, had 38 seats, and I believe that the C.C.F., as it was then called, had 34. In that situation was there any suggestion made by my friends opposite that the Honourable George Drew did not have a mandate? They were greatly relieved that he and not the C.C.F. was in the driver's seat. There was no call for the immediate assembly of the legislature of Ontario. The election was held on August 4, and the legislature did not meet until sometime in February. Did we hear any hue and cry about a minority government, that no appointments should be made? Not a word.

Then we come to 1957, and what happened then? I take issue with my friend the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) when he says that the leader of the Liberal party, the Honourable Mr. Pearson, made the greatest comeback ever in history.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mr. Willis: What about the situation in 1957? In the House of Commons the Progressive Conservatives had 51 supporters before the election, and after the election they returned to the house with 112 seats, a gain of 61. The Liberal party, under Mr. Pearson, returned 48 members to the House of Commons. In the last election he was returned with a total of 100 members, a gain of 52. So our gain in 1957 still topped by nine his gain in the last election. I just point that out to keep the record straight. In 1957, when the Liberals had 105 seats and the Conservatives 112, was there any suggestion made by the renowned constitutional authority, the Prime Minister of the day, the Right Honourable Louis St. Laurent, that he should not give up office to the then Leader of the Opposition? Of course, I do not know, but I heard there were two or three dissenting cabinet ministers. However, the Right Honourable Louis St. Laurent knew his constitutional history, and he immediately tendered his resignation to the Governor General of the day, who called upon the now Right Honourable John G. Diefenbaker to form a government.

Was there any suggestion that that was a minority government? Was there any suggestion that he should not appoint judges, senators or others to official positions? Senators

were appointed in 1957 when Her Majesty the Queen was opening Parliament. Did we hear any voice of objection from those sitting on the other side? Not one. Not only that, but the Prime Minister of the day, the Right Honourable John G. Diefenbaker, who was sworn in on June 21, 1957, went to the Prime Ministers' Conference in London, England. I realize, of course, that Mr. St. Laurent had his bags packed and his reservations made, but he was enough of a man and a constitutional lawyer to know that he could not attend. Did honourable senators or the members of the party opposite raise any objection to Mr. Diefenbaker's going to the Prime Ministers' Conference in 1957? Not a word of objection was heard, and they thought he did a wonderful job.

So, why the hue and cry in 1962 over Mr. Diefenbaker going to the Prime Ministers' Conference on the European Common Market? I will tell you why. The cup of victory was so close for them on the night of June 18, but suddenly the western farmers came through and success was torn away. The result was frustration, and that was the reason for the hue and cry against the present Prime Minister's going to that conference.

I had the honour to be appointed to this body by John G. Diefenbaker, Prime Minister of this country. I was proud to be appointed by him as—to change the words applied by my friend, the honourable senator from De la Durantaye (Hon. Mr. Pouliot)—a "workhorse", and I will continue to work for him, because I think it is in the interests of Canada to work for such a splendid Prime Minister.

It appears to me that there is some uneasiness on the other side of the chamber. My friend the honourable senator from De la Durantaye raised a point on seven words from the Speech from the Throne. I have combed that speech, and I think I have found the seven words which gave rise to this uneasiness:

> Legislation respecting the Senate will be introduced.

What is wrong with those seven words? Why should not legislation respecting the Senate be introduced? The first time I heard about reformation of the Senate was as a boy going to high school in 1919, when my father mentioned it. The Liberal party met in this city and chose the Right Honourable Mackenzie King as their leader, and at that time they had as a plank in their platform the reformation of the Senate. What happened to that plank? I will tell you what happened to it: it died of dry rot.

I think this chamber should consider Government legislation by the Prime Minister of the day as such legislation is brought before it. I say that we have a moral duty and obligation to examine such legislation and to do so carefully.

Hon. Mr. Roebuck: We will do that.

Hon. Mr. Willis: So will we.

I wish to say that the Leader of the Opposition (Hon. Mr. Macdonald, Brantford), who is a good friend of mine, in the closing remarks of his speech seemed to be prejudging the legislation which was forecast in the Speech from the Throne; and it also seemed to me—if I am wrong he can correct me—that he was opposing a lot of things to come before this house.

Hon. Mr. Macdonald (Brantford): You cannot read that interpretation into anything I said.

Hon. Mr. Willis: I accept the correction and I withdraw any remarks which implied otherwise, but to me it appeared that he had a reservation in respect to the form of legislation which might come before this house. If that is wrong I heartily withdraw because I know my friend is a man of his word and a man of honour.

Hon. Mr. Macdonald (Brantford): I said, and it is all that you can read into my remarks, that we will consider all legislation as we have done in the past.

Hon. Mr. Willis: Well, it just adds a little more spice to the cake.

Honourable senators have quoted various authorities on the functions of the Senate, and the honourable senator from Carleton (Hon. Mr. O'Leary) quoted Arthur Meighen. I too want to quote Arthur Meighen on the function of this chamber when he said:

> Members of the Second Chamber must get away, lift their minds far from those hard-drawn lines of party, or they cannot serve their country. They have to make up their minds to give every government fair play and not to stand in the way of legislation unless they are convinced it must be defeated on its merits . . .

I say to this honourable house that I, as a newcomer to this body, will reserve my judgment and my vote on all legislation that comes before it, and I am not going to have any preconceived ideas about legislation before it comes here, whether from the Government or from the other place. I think it is our obligation and our duty to examine legislation carefully, to give it due consideration, and then to make our decision.

I would like to say in closing that never in my life, and I have been interested in politics for a long time, have I seen a more

determined effort to detract from a great man, a great leader, and a great Prime Minister, than has been done in the case of the Right Honourable John G. Diefenbaker, I say to the honourable members of this chamber that the election campaign which culminated on June 18, in which the name of the Prime Minister was ridiculed by the use of the word "Diefenbuck", was a disgrace to Canada. But, as I was told by one of the members of my own constituency, they would sooner have "Diefenbuckers" than "Pearsonitis".

All I ask is that we give legislation by this Government fair consideration, that we examine it thoroughly and then make up our minds as to how we will vote.

I close by saying that I am grateful to have been appointed by the greatest Prime Minister Canada has ever had.

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

SONS OF FREEDOM DOUKHOBORS IN CANADA

MOTION TO APPOINT SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, October 10, the adjourned debate on the motion of Hon. Mr. Croll:

> That a Special Committee of the Senate be appointed to inquire into and report upon the continuing problems presented by the Sons of Freedom Doukhobors in Canada and any problems related thereto;
>
> That this said committee be composed of twenty honourable senators to be named later;
>
> That the committee be empowered to send for persons, papers and records; and
>
> That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

Hon. Mr. Macdonald (Cape Breton): Honourable senators, this debate has been adjourned in my name, but I am yielding my place to the honourable senator from Lumsden (Hon. Mr. Pearson).

Hon. Arthur M. Pearson: Honourable senators, I rise to talk on this motion now before the house, and moved by the honourable senator from Toronto-Spadina (Hon. Mr. Croll), but I am rather hesitant to follow the able speech we have just heard from the honourable senator for Peel (Hon. Mr. Willis). We have heard three good speeches from this side, and I feel I should have been inoculated with a little bit of Irish blood to be able to speak as they do.

In speaking to this motion with regard to the Doukhobors, I would like to give as my opinion, and to emphasize it very strongly, that this type of motion may cause friction between certain groups of people, and bring bad feeling upon ourselves in the Senate and to the majority of the Doukhobor people.

I personally have known many Doukhobors, and have had business dealings with them for years. I have found them as sound a class of people as any other ethnic group in Canada. They are thrifty, honest, and hardworking. They keep beautiful homes and excellent buildings. They grow flowers around their buildings to add a little touch of colour about their farm homes. They are progressive, both in farming and in business. They take part in local affairs and become municipal councillors and reeves in their municipalities. They are excellent farmers and keep up with all modern types of farming, especially in western Canada. In my opinion they are as thorough-going Canadians as any group who have come to this country from Europe.

In my relations with these people I came to know them personally. I have stayed at their homes. I have shared bread with them. I have never felt my work with these people was any different from that with any other nationality in western Canada. These people to whom I refer constitute today the bulk of the Doukhobors in Canada. They have large settlements around Canora, Blaine Lake, Borden, and Langham, in Saskatchewan, with all of which I am familiar.

Many years ago a small group known as the Freedomites, or the Sons of Freedom, started to burn schools in the settlements, and generally to carry on as they do at the present time in British Columbia. But that sect has since moved out of Saskatchewan, and as far as I know all its members have gone to British Columbia. They comprise a very small group of the race of Doukhobors.

The Doukhobor is a strong family man and is very religious in his emotions. He believes strongly in certain ways of life, and in parental authority. To them this is their way of life, and was for generations before they came to this country. It is difficult for these people to become assimilated into the western type of living and home life as we know it.

It is my opinion that the only way by which they can be assimilated into our system is the slow process of education and example given them by our own people. This has happened to those who have now taken their place in the communities of Saskatchewan, and I have no doubt that a percentage of them, though it may be small, will break

away from the sect that is in difficulty in British Columbia at the present time, and will gradually conform to our way of life.

Our problem, as I see it, honourable senators, is to bear with these people and try to inculcate in them our free, easy and modern way of life. We should punish, where necessary, those who are guilty of infractions of the law, but I do not think we need make a full inquiry into the Doukhobor way of life in Canada. It is for this reason that I cannot support this resolution.

Honourable senators, I feel it would be a very bad thing for the Government of Canada, and the Senate in particular, to be involved in an inquiry of this sort into the lives of a certain group of citizens. I feel that inquiries into any ethnic group reek of superiority on the part of those who make the inquiry. The need of our country has always been for integration of all the peoples into one whole, and not a division into ethnic groups.

It might as well be said, because we have difficulty with a few youngsters in certain sections, that we should have an inquiry into juvenile delinquency from one end of Canada to the other, or that we should delve into the work of certain religious groups. If such a thing were suggested, I am sure that every honourable senator would consider it a very controversial undertaking. Who are we to set ourselves up as a group of citizens superior to our neighbours?

For these reasons, honourable senators, I cannot support this resolution.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, October 31, 1962

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

Prayers.

PRIVATE BILL

THE NORTH AMERICAN GENERAL INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-6, respecting The North American General Insurance Company, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. A. K. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-63, to amend the Export Credits Insurance Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Malcolm W. McCutcheon: Honourable senators, with leave, I move that the bill be read the third time now.

Hon. Mr. Reid: What is the hurry?

Hon. Mr. McCutcheon: There is no reason that I know of for delay.

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

Hon. Mr. Macdonald (Brantford): Apparently there is at least one honourable senator who objects to third reading taking place today. There would have to be unanimous consent to that course being followed.

Hon. Mr. McCutcheon: Then I move that the bill be read the third time at the next sitting.

Motion agreed to.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

Referring (a) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(b) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from any one to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?
2. If so, from whom and when?
3. In view of the Statutes of Canada:
   45 V., (1882), c. 42;
   53 V., (1890), c. 36;
   13-14 Geo. V, (1923) c. 19;
   22-23 Geo. V, (1932) c. 10;
   and the Revised Statutes of Canada:
   c. 105 of 1906;
   c. 127 of 1927: and
   c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Lionel Choquette: The answer to the honourable gentleman's inquiry is as follows:

1. No.
2. Answered by No. 1.
3. No.
4. Answered by No. 3.

Hon. Mr. Pouliot: It is the answer I gave last session.

Hon. Mr. Choquette: There are further details contained in the envelope which the honourable senator might not have anticipated.

Hon. Mr. Pouliot: As always, I am ahead of my time. Thank you very much.

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. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Salter A. Hayden: Honourable senators, when the new senators came into the Senate I personally welcomed them. When I saw His Honour the Speaker shortly after his appointment, since he is a very old friend of mine, I congratulated him. He is doing precisely the excellent job that I felt most confident he would do. At this stage, in relation to the newly-appointed senators, that is all I have to say that might come within the description of complete recommendation for what they have said since they became members of this chamber.

The debate so far on the motion for an address has taken a different course from that of debates on the address in previous years while I have been a member of the Senate. If we have ground rules—and I thought that maybe we had a few—they seem to have been completely scrapped. Having regard to the tenor of the speeches, particularly those made by the newly-appointed senators, I would regard this debate on the motion for an address as having no rules other than one to the effect that it is open hunting season. If I have a quota of ducks in this open hunting season, then I hope I am able to get a few today.

As I regard what has been said, it appears that the newly-appointed senators are a special task force to whom has been assigned two chief duties. One is to see to it that the image of the Prime Minister is put on the highest pedestal that human ingenuity could possibly construct.

Hon. Mr. Grosart: Hear, hear.

Hon. Mr. Hayden: The second is to point out to the people of Canada that, whether or not they feel it or believe it, they are having the best time of their lives now.

Well, that is a large order but, this being the space age, these senators who took off on their tasks and got into orbit faster than anything ever has at Cape Canaveral, and then having at least established a position, on cloud nine, they looked down from that lofty eminence and told us of the wonders of the world so far as Canada is concerned.

It is true that it is difficult for us to follow all that, for we who are on the ground in Canada, mingling with all the people and listening to all sources of information, have not had made available to us as yet the sights that must have been unfolded to them from that lofty position. However, I would point out to them that sightseeing and a special viewing of that kind, coupled with skilled oratory, is still not enough. There should be some attempt made at stating fact —fact in a form which can truly be accepted as fact—and I hope to indicate in a few particulars where that fact is missing.

I am sorry the honourable senator from Carleton (Hon. Mr. O'Leary) is not in his place because I want to say a few things about his remarks. After he had finished his speech I told him that every time I have heard him speak—and I have heard him often; I am a great admirer of his—I have had to dig my feet firmly into the ground to keep from being carried away by the force and spell of his oratory. However, I succeeded in not being carried away the other day, but I suggest that possibly the orator himself was carried away because—the honourable senator from Fredericton (Hon. Mrs. Fergusson) developed this when she spoke, coupled with a criticism of Mr. Walter Gordon—the honourable senator from Carleton took the figures of the gross national product as projected to the end of this year, compared that projection with the one Mr. Gordon made in his report in 1955, and pointed out that really Canada is free-wheeling at a much swifter rate than even that which Mr. Gordon thought would be a good rate. The honourable senator took the 1955 projection, and said that we had now arrived at about the point where Mr. Gordon thought we would be in 1965.

But one little fact was overlooked. If one is going to make comparisons then one has to make them as between figures that are related. The projection made in 1955 in relation to subsequent years was in constant 1955 dollars, and that sum of money was being compared by the honourable senator from Carleton (Hon. Mr. O'Leary) with the 1962 figures. He might just as well have compared

apples with bananas. At least when apples and bananas are compared one might end up with a good fruit salad, but when one compares these two entirely different sets of figures one ends up with exactly nothing. If you put them on a basis of equality, then there is nothing extraordinary about the comparison; the gross national product, in terms of constant dollars of 1955, would still follow reasonably closely in line with the projection which Mr. Walter Gordon made. However, enough of that.

Honourable senators, I should point out that when my friend the honourable senator from Pickering (Hon. Mr. Grosart) took off into space he really did a thorough job. One of his comments was that "one of the greatest economic upsurges in our history has taken place in the last five years". Then he called for his witnesses—headlines and quotations. Argument by headline and quotation is not very satisfactory. It may be wonderfully satisfactory on a political platform or in a partisan pamphlet; but when you are speaking to people who want to know the facts underlying such a statement, it becomes an entirely different thing.

In my friend's quotations, the first reference he made was interesting to me. I was happy to note that he was referring to a bank of which I think most highly. He referred to the current "Monthly Review" issued by the Bank of Nova Scotia.

The only trouble about my friend's reference was that he was too scissor-happy. While he reached into this letter and abstracted a quotation from it, he stopped at the first sentence and even then he took only part of the first sentence. That was part of his build-up to "one of the greatest economic upsurges in our history" having taken place over the five-year period.

May I read the whole of the first sentence to you, honourable senators, and you will see what I mean by his being scissor-happy. First of all, I should tell you what my friend read:

> business activity in Canada has improved markedly during the past year and a half.

The whole sentence reads:

> After some years of disappointing growth and a recession which reached its low point in the early months of 1961, business activity in Canada has improved markedly during the past year and a half.

There is a little difference there. I cannot read into that sentence any support for the statement that this is the greatest economic upsurge of all time.

Furthermore, my friend the honourable senator from Pickering (Hon. Mr. Grosart) did not give us the title of the letter, which is of particular interest. I can understand why he did not. When you get up on cloud nine and your oratory takes over, ordinary words are not quite enough to describe what you want to say. The heading of this letter is: "Moderate Tempo in Canadian Business." Of course, in the language which the honourable senator from Pickering used during his remarks, the word "moderate" would have little meaning. That word is too anaemic to be used in a context in which he wished to describe Canada as a land of milk and honey, a Canada that was enjoying its greatest prosperity, in a cloudless economic sky, a Canada where the genius of leadership and the magic wand of Conservative doctrine had brought the Canadian people, in the language of Tennyson's *The Lotos-Eaters*, "unto a land in which it seemed always afternoon".

There for a moment I have attempted to use the kind of language that my friend used in his portrayal of Canada.

There are many other comments in this letter, which I am sure my friend read and with which I shall not burden honourable senators now. I would be prepared to discuss them on any occasion. I think it gives a very fair statement of the play of economic forces in Canada over a period of years.

May I repeat to my friend that if one is calling on headlines and quotations, the essential principle first must be to give a true and accurate quotation, otherwise everything is distorted and thrown out of context.

We come to another statement in connection with our rate of unemployment. It seemed to be very significant, at least from that position high up on cloud nine, that the actual rate of unemployment for September was 3.9. True, if it were seasonally adjusted, as the D.B.S. figures are for all other periods we have dealt with, it would be higher than 3.9. But immediately my friend took off with another one of his statements that this supports the great upsurge—the greatest of all time—a statement seeking to establish that we are well on the way to achieving new highs. A number of factors were completely overlooked, one of them being that from the end of September until February we move into a period where unemployment becomes increasingly greater. To stop with one month, on the theory that one swallow makes a summer, is not, in my submission, the right way to make a projection in support of a positive statement that we are, and have been for a period of five years, in the greatest economic upsurge in the history of Canada.

I am very happy to learn that in the month of September our rate of unemployment dropped. I would point out that, as my friend must know, September is a sort of dividing month when the labour force reduces because of the many people who return to their scholastic vocations, and so on, and when construction jobs are being completed, and thereby the rate of unemployment is not unduly accelerated. It is dangerous in those circumstances to try to argue by using statistics for one month, particularly if one does not go back earlier than September of this year. It is true that when the statistics are looked at in the light of previous years an improvement is indicated, but certainly it is not an improvement which would justify the statement that for the past five years we are living, enjoying, and moving about in this the greatest of economic upsurges. In that connection, I wonder if my friend has read an article in *Maclean's* magazine, dated November 3, 1962, which states:

> Among people who compile and compare unemployment statistics, there is general agreement this fall on only one thing: this winter will be a long and hungry one for many Canadians. But exactly how tough things will get is still anybody's guess, and almost everybody in Ottawa is playing the unemployment numbers game. Predictions: Government economists say that peak unemployment will probably come in February and involve about 8 per cent of the labour force, or around 550,000 men. This is one percentage point lower than last year's peak, and is an optimistic forecast.

I am very happy that even on those figures there is a little room for optimism as against previous years; but I say in all seriousness there is no room for the kind of optimism that whirls around on the economic merry-go-round, proclaiming that this is the greatest ride we have ever had and that greater things are still to come. I have to look at trends. I have not that eye that my friend appears to have in undue measure because I am a little envious that he is able to make a mountain out of a molehill as well as he does.

Next, my friend in discussing the greatest period of prosperity overlooked a number of things. I guess they were unimportant from that lofty position up yonder, but down here we remember and are mindful of some things that we are still living with. We recall devaluation, we recall the emergency that it precipitated—and the description "emergency" is one that was applied by the Prime Minister himself. I recall austerity, and the connotation of austerity, where we imposed surcharges on already high tariffs with the avowed purpose of reducing imports so as to establish some better relationship between exports and imports.

There are many other things I recall in that connection. I still recall our huge force of unemployed. I recall our deficits, persistent deficits, and how my friend dealt with these in a very casual way. In effect he said, "Yes, we incurred deficits but we gave a lot more money to the people of Canada in welfare benefits, and we gave a lot more money in payments to the provinces".

Well, on the question of payments to the provinces do not let us forget that I have been the one voice in this chamber for a number of years—and fortunately the Prime Minister heard me at some stage—opposing any taxation by the federal authorities the proceeds of which were going to be handed over to a provincial authority. In my submission, and it is still my view, there should be a direct link between the authority that imposes the tax and the one that spends the money—they should be the same people—and then the expenditures might be more cautiously made, and the taxpayer would be more alert as to knowing who was really putting the bite on him for his tax dollars. Be that as it may, I look at all these things in perspective: devaluation, emergency, unemployment, the continuing situation of having to meet substantial balance of payments, and our exports, which are now on the increase. As to exports, I remind you that the Leader of the Government (Hon. Mr. Brooks) said in his speech that he found it favourable that for the first seven months of 1962 exports to all countries were up 11.3 per cent over 1961.

He found that noteworthy and a thing to praise. I agree it is noteworthy and is a thing to praise. It means more domestic employment in connection with the production of those goods for export, but the connotation in which you must look at exports is in relation to imports in order to see how we are faring with our balance of payments. So we might look at this, and I say to the Leader of the Government that for the first seven months of 1962 our imports were up 15 per cent over 1961. Therefore, while we are producing more for export we are not closing the gap between exports and imports and thereby not reducing our obligations as to balance of payments.

There is another thing that I might point out while I am dealing with this area and trying to set out all the facts so that we will have realism in our discussion. It is this: My friend must know that the rate of growth in the gross national product of Canada from 1957 to 1961 was about one per cent and the rate of population increase was about 2 per cent. Now, if I take the year

1962 as having a 6 per cent increase and I average it out over the period from 1957 to 1962, I arrive at a rate of increase in the gross national product which would be less than the rate of increase in our population. Economists have said—and I am sure my friend has seen it, and if not I can give him references—that in order for our economy to take care of our labour force and the accretions to it, we must have an annual increase in our gross national product of the order of 3½ per cent.

I should point out to my friend—although I know this is a horrible thing for me to do, because what went on in Canada prior to 1957 when those Liberals were in office is something that you just do not speak about, since Canada just started living in 1957—that the average rate of growth of the gross national product in Canada for the ten years prior to 1957, or up to 1957, whichever way you want to take it, was of the order of 4½ per cent.

I could also point out to my friend that in 1950 our dollar was down to 91 cents in terms of United States dollars, notwithstanding that it went up in value before 1957 until it reached something of the order of 5, 6, 7, 8, or 10 per cent. I should also point out to my friend that—he undoubtedly knows but I will recall it to him—in that period we had the same problem as we have today of having to meet our balance of payments, to close the gap, and a very substantial gap, between exports and imports which has to be settled by the provision of exchange. But there was this big difference that between 1950 and 1957: there was a substantial inflow of foreign capital year after year, and even in 1958 it was of the order of $1.5 billion. Our balance of payments was of the order of about $1 billion, $1.1 billion or $1.2 billion, but we had from the capital inflow source enough to take care of our balance of payments.

In 1959 the capital inflow got down to $1,150 million; in 1960 it dropped to $875 million; in 1961 it was just over $600 million, and in the first six months of 1962 it was $135 million.

One of our big problems continuously has been that of taking care of this gap in the balance of payments. You will recall, I am sure, the budget speech which the then Minister of Finance made in December, 1960—not his maiden, his baby budget—when he introduced measures increasing the withholding tax, or placing withholding tax, on interest and dividend payments to non-residents where formerly there had been no tax or a substantially lower tax. He gave certain reasons for doing it, and although I am sure you are all familiar with what he said on that occasion, I shall repeat his words:

> In the light of the developments I have described, however, it has become desirable to propose certain measures which will, I believe, help the Canadian economy to achieve an improved equilibrium with the outside world. At this stage of our national development it is appropriate to withdraw some of the special incentives which were designed in past years to attract foreign capital. As a result of such special concessions, non-residents profiting from investment in Canada do not always bear their fair share of the general costs of government and administration, although they benefit in full measure from them. To redress this situation, I shall be recommending several amendmetns to bring the principal non-resident withholding taxes up to a uniform level of 15 per cent, which is recognized in our law as the standard or normal rate.

Now, this is significant to me, but my friend may say that it is an entirely unrelated matter and is purely coincidental with the change in taxation in relation to interest payable to non-residents holding Canadian bonds, federal and provincial, that in 1960 our capital inflow was of the order of $875 million, that in 1961 it dropped to $600 million, and in the first half of 1962 it was down to $135 million.

So long as the Canadian economy is in a position where we cannot close the gap between exports and imports and we have to find exchange to take care of the balance of payments, then for just that long this must be a healthy climate for foreign capital to live in.

The best witness I can call—and a witness that my friend would not, in view of what he has said, dispute—is the Prime Minister himself, in the Speech from the Throne, where he says that one of the functions of his Government is going to be to make this a climate hospitable to foreign capital. I suggest that there is some relationship. There may have been other reasons, inducing reasons, which I will deal with in a moment. However, I should point out certain other things to my friend that may take just a little of the rosy hue off the picture that he gave us the other day of this great era of prosperity.

The economists seem to be agreed that so far as capital expenditure in Canada is concerned the drive in capital spending in this country is lagging, and that it has not been picking up in line with the pick up in business leading to more exports and consumer spending. One reason for that may be that we still

have over-capacity in Canada, and until we become healthier in that regard we cannot expect capital expenditure at a high rate. But it is a very significant factor in a fully operating economy, where your desire is to have maximum employment and maximum happiness and satisfaction for people living in Canada.

These are all things I point out to my friend, and to all honourable senators. I point them out not with the intention of saying that you must draw the conclusion that Canada has gone down the drain. So far as Canada and my love and respect for Canada are concerned, I bow to no one, not even when my friend attempts to wrap himself in the glories of Canada and brings in, under the great flag that he wraps around himself, even as distinguished a person as Mr. Chalmers. I still avow that no matter what I say here I say it in the spirit of a true Canadian, and I have the right to point out that things are not as rosy as we are led to believe and that these are factors which should be considered.

Even the honourable senator from Carleton (Hon. Mr. O'Leary) did not go as far as the honourable senator from Pickering (Hon. Mr. Grosart), because after the senator from Carleton had reached that crescendo in his oratorical effort of praising the prosperity of Canada, he then went on to say:

> While I say to you that everything in Canada is reasonably prosperous, I would not like to conclude by saying that everything in Canada is well and that everything in Canada is going to be well.

There is the difference, and the significant difference between myself and my honourable friend from Pickering is that I believe Canada, under proper guidance, can work herself out of her problems. I am not one of those who are going to sing in high C, or get up on cloud nine, in order to try and persuade Canadians to believe that our condition is infinitely better than on a factual study one can logically conclude.

There are some other points I wish to make in connection with what the honourable senator from Carleton (Hon. Mr. O'Leary) said. I regret that the Senate was used as a sounding board for airing a family quarrel between British and Canadian Tories. In my view it contributed nothing to the quality of the debate in this chamber. If one's spleen gets worked up to the extent that one has to ourst forth in such expressions and wash the party linen in public, my friend had other facilities available for doing so, and his doing so in this chamber did not add anything to our deliberations here.

Another point that interested me was the statement by my friend the honourable senator from Carleton that in Canada discussion of the European Common Market has been almost wholly illiterate. I suggest to my friend that perhaps he should change his circle of friends, because if he came over and talked to us or moved in other circles he might think differently. There seems to be a pretty good understanding of what the Common Market is in those circles, and it may be that my friend has just been keeping the wrong company too long.

If honourable senators will permit me to revert for a moment to the question of devaluation: it is an interesting and very serious story as far as Canada is concerned, for I have indicated to you the vital importance of capital inflow. Not only do we have to close the gap between exports and imports but we also have to provide for that tremendous amount of money which moves out of Canada in the form of intangibles, non-merchandise transactions, dividends, freight, insurance premiums, and that sort of thing. Therefore, we must provide ourselves with the means to take care of them.

In the late months of 1961 and the early months of 1962 our foreign exchange margin showed a wide spread. The only way one could interpret it was that there was a reasonably wide spread. The continuing view was that the Canadian dollar was weakening and that devaluation would have to come. To prevent the dollar from dropping further, a substantial amount of money was used out of our exchange funds in January and February of 1962 to try to bolster the dollar at 95 cents. In March nothing of importance happened in relation to the dollar or the fund, but in April the downward pressure commenced again, and the net loss of U.S. dollars for April was in the order of $115 million. Before the rate was fixed at 92½ cents on May 2, we had a loss of about another $116 million.

The decision as to devaluation was taken on May 2, and yet as late as two weeks before that date the then Minister of Finance, the Honourable Mr. Fleming, had stated that our best interests did not dictate such a course. I do not cite that to question the judgment of the then minister, but only to point out that the circumstances which had developed in the period of two weeks from the time he made the statement were of such importance that he had to reverse his opinion and go for devaluation of the dollar at 92½ cents. I say that was the time that the emergency should have been recognized. That was the time when, if we had any remedial measures, they should have been brought into force. In

fact, all that happened was that we were carried along, and the Government persisted in announcing to the public that 92½ cents was a fair figure, that the dollar would be able to hold its own at that level, and that our position was secure.

Immediately after the election a real emergency was apparent and it became necessary to introduce measures of austerity, to announce that we were going on a housekeeping savings program to the extent of $250 million, and to arrange for loans from the International Monetary Fund, from the Bank of England and from the Reserve Bank of the United States, together with lines of credit to the order of over $1 billion.

On an examination of the figures it will become apparent that our exchange fund had dropped from about $2 billion at the beginning of 1962 to less than $1½ billion on May 2, 1962. Surely there was enough significance in that drop and in the force of those circumstances which compelled the Minister of Finance to change his opinion on devaluation to convince us that we should then have got going with our measures for correction, instead of waiting until a further impact developed with the result that by the time we announced austerity we had lost another $300 million or $400 million.

Now we come to assess the situation—and I do not want my friend to think I am picking on him, but he made some statements which I feel lack factual support, and I hope I am successful in pointing out to him the fact that there is some question as to whether or not any factual support exists for what he says. He commented in his speech on the tremendous increase of $636 million in the exchange fund since "D-day" came on June 24. He says, pointing to that buoyancy and the resiliency in our economy which could produce such a change so quickly, we are off again, free-wheeling, and the sky is the limit. The upsurge had stopped suddenly, and we were on the way again.

Hon. Mr. Grosart: Is the honourable senator suggesting that I used the phrase "the sky is the limit"? I am wondering if he is suggesting that I used any of these extravagant phrases. It might be fair to keep to the phrases I used.

Hon. Mr. Hayden: If my friend feels my paraphrasing of what he said is not accurate, then I shall withdraw the phrases I used and retain the exact language he used. I shall put it whichever way he prefers. "The sky is the limit" is my expression, but I thought it flowed freely and logically, from what he said, much more so than did some of his conclusions.

Now let us see how this situation has built up. Does my friend know—or should I say does he recall, because I would assume that he did know in July—that there was an advance debt repayment by France which swelled our exchange funds by $62 million? Does he recall that in October there was an advance debt repayment by the Netherlands that swelled the exchange fund by a further $32 million? Does he know that the take-over by Shell Oil of shares of Canadian Oil resulted in an increase in exchange to Canada of the order of $110 million? Does my friend appreciate too that this replenishment of the exchange fund took place in July and August, our tourist season, which produces substantial exchange funds? Before I would embark on a prediction that all is well, I would want to wait a little longer and see how we fare in September, October, November and December, when those favouring forces will not be working as strongly for us and when we will have a chance to see whether our economy has got out of the priming-of-the-pump stage, and has acquired sufficient momentum to operate on its own.

There you have an increase of about $700 million in the exchange fund, but I would say that these advance debt repayments, the proceeds of the Canadian Oil takeover, and the tourist traffic revenue, would amount to approximately $400 million or $500 million of that.

There is still another factor that my friend must consider, namely, that the businessmen of Canada who sold their goods outside Canada and who, during the period since the beginning of the year, were receiving payment in United States dollars, left these United States dollars abroad because from the signs then apparent they expected there must, of necessity, be some devaluation, and after June 24 they started closing out those accounts and bringing that money back into Canada, thereby further increasing the exchange fund.

These are the different factors involved, and I cite them to my friend, not because I am unhappy that they occurred, but in case he should be tempted to take off again on one of his descriptions of the biggest upsurges of prosperity that Canada has ever had. I would point out to him that these were things which he cannot say were done by this great Government which he did so much to elect—and may I add that he did a good job so far as getting them elected. These are things that I am very happy to say indicate that some of our economic forces can operate irrespective of government. I say that in the most general language in the world, because some decisions can be made without having to refer to government.

Hon. Mr. Grosart: Does the honourable senator find it a matter of regret that there were so many independent forces operating to replenish the fund?

Hon. Mr. Hayden: Well, my friend poses a question I thought I had answered. Before he rose I had said I was not unhappy that these forces were at work. Now my friend asks me if I felt badly that these things happened. Certainly I did not feel badly. I was very happy, and the more such forces we can have the better will it be for Canada.

Hon. Mr. Grosart: I only interrupted the honourable senator because I was so delighted to hear that bright note of happiness. I thought it would be to the benefit of this chamber if he repeated it.

Hon. Mr. Hayden: That is very nice. The only difference between my friend and myself is that when he says a thing once, his descriptive powers are to the ultimate and cannot be improved by repetition. I am happy to repeat something if it gives me an opportunity of obtaining a larger following, but I am not so foolish as to think that anything I say will convert my friend to my point of view. I suppose I should also say that so far anything my friend has said has not converted me to his point of view. There is a slight difference between our two positions.

Now we must move along because I do not want to take too much time. However, I do not yet wish to leave the subject of devaluation because, except as a remedy in very small doses, devaluation is not a good thing for Canada, just as it is not a good thing for any country. Do not delude yourselves that devaluation is a cure-all; we needed it and we took the necessary steps. In dealing with the question of devaluation for Canada, I do not think I could do better than quote a statement on this subject by Graham Towers, a man whose qualifications I need not enumerate. He said this:

> It should never be forgotten, however, that it is a relief for which Canadians have to pay in the form of a higher level of prices and lower effective value for the savings that they have accumulated in bank deposits, life insurance bonds, prospective pensions and similar investments. There may be circumstances in which a country has no practicable alternative to the acceptance of such a penalty. Canada has no valid excuse for taking more than a small measure of this insidious prescription, accompanied by a resolve to handle our affairs in such a way that the dosage need not be repeated.

There are just one or two other matters I wish to refer to. Again I say that I do not want my friend the honourable senator from Pickering (Hon. Mr. Grosart) to get the idea I am picking on him, nor would I want the honourable senator from Gormley (Hon. Mr. McCutcheon) to feel I had omitted any reference to his remarks, because he said one or two things that I would like to comment on briefly. Of course, I have known the honourable senator from Gormley for a long time, from those early days in law when we used to try to wrestle with motions and other chamber work in Osgoode Hall. I have the deepest respect for his business judgment, but for most of his speech I was completely lost.

I had expected his speech to reflect the great contribution—as heralded by the newspapers upon his appointment as Minister without Portfolio—his experience and judgment on financial matters would bring to the affairs of the Government and of the country. But, as I read page after page of his speech I could see only quotations from what the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) had said, and the answers in some cases were to the effect: Well, we know that; that is obvious, or, that is answered by so and so. Finally I got down to the one question about confidence. In dealing with the statement of the honourable Leader of the Opposition, and several references he had made to show that confidence in Canadian housekeeping and management of our affairs had suffered materially, the honourable senator answered by referring to the loan of $250 million that the Government had negotiated in New York.

Honourable senators, there are some features of that loan which I should point out. The loan was for $250 million payable in U.S. dollars, with an interest rate of 5 per cent in U.S. dollars. My honourable friend seemed to find some comfort in the high interest rate because he pointed out that withholding tax would apply to make the rate really one of 4¼ per cent.

It is rather interesting—and perhaps my honourable friend might have told us this since he went as far as he did—to ask why the loan was negotiated by private subscription instead of being a public offering. My own suggestion is that a public offering would have taken some time to clear the Securities and Exchange Commission of the United States, and also that the Government wanted an announcement of that kind to be made before the opening of Parliament on September 27 last. That is just my guess.

Two of the five insurance companies which subscribed were the Prudential of America and Metropolitan Life. Both those companies

have tremendous operations in Canada, and I would venture to guess, so far as their tax position being affected one iota by the withholding tax here, that by reason of the very unusual way in which the effective tax rate is calculated for life companies in the United States, and the way tax credits are calculated, they will be getting full credit for what they pay here. In effect, so long as that withholding tax remains—and I am not sure of how long it will remain since the Speech from the Throne says that there is going to be a climate hospitable to foreign capital investment—it will be Uncle Sam who is really paying the withholding tax to the Canadian Government, because these companies will get a credit for it in the United States.

Be that as it may, there are several factors in it. One is that the loan is payable between now and next May. I understand the reason for that was that the United States treasury was concerned about its balance of payments, and therefore requested the loan be dealt with in that form.

When I looked at the prevailing rate on United States government long-term bonds at that time, I noted it was in the order of about 3.8 per cent, but when I looked at the history of the spread between interest on United States long-term bonds and interest on Canadian bonds in the United States market heretofore, I found it was of the order of one-half of one per cent.

I find all these factors which demonstrate to me that we may have rushed too quickly, and for some purpose that is not easily discernible, to conclude this borrowing at a rate which indicates that the United States investor did not regard the Canadian bond as being as high a type of security as the U.S. government bond.

While I am on that note I should point out, too, that recently the Municipal Finance Corporation in Alberta negotiated a loan of $25 million in the New York market, payable in U.S. dollars at 5 per cent interest, or coupon rate. I understand the bonds will be offered about the middle of November, and that the issue price is par.

In our borrowing in September, and in the Alberta borrowing in November, there is apparently no distinction recognized in the rate. I am not suggesting that there is any doubt in the minds of the foreign investors that these bonds will not be paid, but the spread indicates a judgment of the quality of the security at the time the offering was made as against U.S. government bonds.

This just about brings me to the end of what I can usefully say on an occasion such as this, but I do want to point out the great danger of distorting facts and situations. Of course, when you are hungry for good news even a morsel very quickly magnifies itself into a full course meal. On that basis I think my honourable friend and the other speakers in the group that I classified earlier took the morsels where they could find them, and got the excess of comfort they could out of them. I am not blaming them for that. Perhaps had the situation been reversed I might have been trying to do the same thing. What I am trying to do here is keep my honourable friend's feet on the ground, and to be as realistic as I can.

In case my friend may not have heard me clearly and distinctly the first time—because, apparently, that can happen when I am speaking, as indicated by his previous question—I shall repeat that in nothing I have said have I represented that Canada is in a hopeless economic position, that Canada is bankrupt. I want to emphasize that very clearly. I believe strongly in Canada. I believe strongly in the ability and desire of the Canadian people to work hard. Our resources are unlimited.

The honourable senator from Carleton (Hon. Mr. O'Leary) said: we still have our gold mines and our asbestos; our minerals are still there in the ground. Yes, and I might even add that we had them between 1930 and 1935, but there was something more needed than just the possession of these valuable assets. They must be developed, and the climate for development must be properly nurtured. Having regard to our position, to our population, and the necessity to export in order to live, we require a substantial capital inflow to carry out developments. Without the development we cannot spend the wealth from the resources that are in the ground.

These are the things I am pointing out, and I am saying that at the present stage of Canadian development I do not know whether the upturn is going to persist and reach levels beyond those of the recession in 1958, 1959 and for some time in early 1960. Whether we are going to get beyond that, I do not know, but I have enough faith in the sturdiness of the Canadian people and in the good sense of the businessmen of Canada to say that sooner or later we will get these things on the right rails.

We must take not only a short-term but a long-term view, because the real solution to our problems is in an increase in our exports to such an extent that we can take care of our balance of payments, and when we achieve that objective we will be moving along very well.

However, having regard to our financial requirements for development, and to the fact that we do not appear to be able to reduce our balance of payments—it is estimated

that this year they will be at least as high as they were last year, namely, of the order of $900 million or $1 billion—we have got to combine our efforts in such a way as to provide incentives and to create a climate in which this economy can work to full measure.

"Priming the pump" may be a very good policy from time to time, but I know from my own early days the basic origin of that expression. The pump was primed because it had got a bit rusty, or because something was sticking and would not work. You primed the pump to make it work. You primed it expecting it would continue to work after you stopped priming.

We have reached a stage with respect to our winter works program, our subsidies, and all such things, where their effect must be to impart a momentum to the economy that will make it carry on. That is how we should look at these things. In the meantime, in order to take care of such situations as unemployment, we must apply these other temporary measures, but we must never use them as an end in themselves.

I cannot finish without giving my honourable friend from Pickering (Hon. Mr. Grosart) one more reference. I do not think I would have used this had he not referred to Mr. Chalmers. What I intend to read now is from Mr. Chalmer's paper, the *Financial Post*. The date is October 20, so it is fairly recent. This is from a front page editorial under the heading "Nation's Business":

> Here is a question to which, we suggest, our political governors promptly address their serious attention.
>
> Can very basic changes in Canada's iniquitous and destructive tax system await the usual lengthy mechanics of royal commissioning?
>
> The hard and ugly fact is that our anachronistic tax system inhibits and discourages economic growth. It punishes success. It destroys capital. It is one of the most violently offensive tax systems devised anywhere in the world.

I will let my friend see this editorial afterwards, so that he can fully understand it. I pass over a paragraph, but it does not change the context of what I was reading. The editorial continues:

> "Social justice" and "economic equality" have been the predominant objectives of the Canadian economic society of the past. But for a country which has reached our point of stagnation and which faces the horrendous task of creating new jobs by the million within the next decade, there is very real social injustice in perpetuating the tax system of earlier generations.

While I am on that point, I should like to refer to a quotation from a speech made by President Kennedy within the last few months. In setting out his objective and that of the American people—an objective which is equally applicable to us—he said:

> My interest is in an economy which will be strong enough to absorb the potential of a rapidly expanding population, steady enough to avert the wide swings which bring grief to so many of our people, and non-inflationary enough to persuade investors that this country holds a steady promise of growth and stability.

Then there is a special reference to the United States:

> My specific interest at this time is in maintaining a competitive world position that will not further stir the gold at Fort Knox.

Paraphrasing that to apply to Canada, I would say that my special interest at this time, in maintaining a competitive world position and in improving the economy of Canada, is to see that we will not again disturb our exchange fund to the extent that we have to rush into emergency and austerity.

Hon. Mr. Grosart: May I ask the honourable senator if, when he said "again", he was referring to the last time it was done, by the previous administration?

Hon. Mr. Hayden: My friend is a master propagandist. His use of the word "again" there is very significant. I know of one occasion when we had a form of austerity to support our devalued dollar—that was after the war. I know of only the one occasion, so I must answer my friend's question by omitting the word "again". Now we understand each other. I was referring to any occasion at any time in the history of Canada when the resources of Canada, generally or in any particular, became imperilled.

Apparently I still have not got my message through to my friend. The barrage that is floating there, whether it is radioactive or not, is such that I am able to get through only once in a while.

I am speaking on the Canadian situation and I am trying to eliminate from it a lot of the colouring which has been put into it in the last few weeks. There are many more things to be said on this question but there is another time for saying them.

We have been using half measures in the matter of taxation. I shall not say much on that point, as there is a royal commission dealing with it. I may change my mind on that in the future. There is a continuous battle going on in Canada between high, repressive rates of taxation and the so-called tax incentives to make people think they are not as badly off as they are. Down one line you have high repressive tax rates; down the other you have the forces of incentives.

Notwithstanding the royal commission now appointed to study the question, I say that tax rates will not go down until Government expenditures go down in relation to Government income. The sooner there is an end to deficits, the better it will be for Canada. I have a great witness in support of that because the Prime Minister said in the Speech from the Throne that it is the objective of his ministers to balance the budget. I am very happy to hear that. However, as long as we maintain those two parallel lines that never meet, and then superimpose a third one whereby the income tax division in its administration is establishing new fronts by way of interpretation and taking away from you by court decision the protection you thought you had in the section in the act, some day there is bound to be a collision, and then for the first time, I suppose, we shall know where it is that parallel lines meet.

May I conclude with some words I used some time ago. I feel at liberty to repeat them because they were not addressed to anyone present here today.

> The government will continue to search out new areas for taxation and will rework older areas for additional pickings while increasing the list of non-taxable factors deductible from earnings before determination of profit. And the word profit will become even more wondrous in what it includes and excludes. Some day, and I hope reasonably soon, taxes and trade, wages, prices and profits will be put together in a partnership for prosperity. Let us hope that goal is reached without undue delay.

On motion of Hon. Mr. O'Leary (Antigonish-Guysborough), debate adjourned.

SONS OF FREEDOM DOUKHOBORS IN CANADA

MOTION TO APPOINT SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Croll:

> That a Special Committee of the Senate be appointed to inquire into and report upon the continuing problems presented by the Sons of Freedom Doukhobors in Canada and any problems related thereto;
>
> That this said committee be composed of twenty honourable senators to be named later;
>
> That the committee be empowered to send for persons, papers and records; and
>
> That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

Hon. Thomas Reid: Honourable senators, perhaps I am right in thinking that when the question of the Doukhobors in British Columbia comes up, someone from that province should speak; and may I point out, without being too blunt about it, that personal knowledge and contact is far ahead of simply reading something about the matter in the press.

Now, disrobing by the Doukhobors is nothing new. Back in 1936, I recall that the Conservative member for Kootenay rose one day, and pointed across to Mr. King, and said, "What would you do, Mr. Prime Minister, if you woke up some morning, looked out the window and saw a naked woman?" "Why", replied the Prime Minister, "I would send for the Leader of the Opposition". At the outset, let me say to the mover of this motion (Hon. Mr. Croll) that it is not my intention to support it, and before I finish I shall give the reasons for my decision.

I do not need to take up much time in relating the entire history of the Doukhobors. They came to Canada from Russia in 1898. Russia had had so much trouble with them that she was glad to get rid of them. As a matter of fact, history tells us that there came a period when once a week she took a group of them out and shot every tenth man, so fed up was she with the way they were conducting themselves in that country. Tolstoy has been mentioned as one who favoured their cause. It is true that he and the Quakers of England played a considerable part in having them settled in Canada. They came to Canada under a promise that they would not be called on for military duty.

May I point out to the mover of the motion (Hon. Mr. Croll) that the leadership of the Doukhobor group has somewhat changed. Formerly they had a male leader. Those of us who come from British Columbia know that the real leader lives in one of the South American countries. He escaped with some $90,000 of Doukhobor funds, and I understand that collections now are taken from the Doukhobors and sent to him—money which comes from the Government of Canada, shall I say, in the way of welfare allowances, children's allowances and old age pensions.

He was careful to take with him a signed document that he had the sole right to do what he liked with that money.

The majority of the Doukhobors are very good citizens, in both Saskatchewan and British Columbia, but it is difficult indeed to get the other group to understand that they must obey the laws of Canada. It annoys me greatly that some people who have expressed themselves in the press and at gatherings, think a grave injustice has been done to the Doukhobors. Well, are they going to contend that the Doukhobors can do anything they like—violate and defy the laws of this land, and that we should then pat them on the back, tell them to go home and be good little boys and girls?

Honourable senators, let me enumerate some of the damage and losses which have taken place in and around Castlegar since the year 1923. The losses total $17 million, resulting from bombing, burnings, and blowing up of bridges, grain elevators, railway tracks, community halls and dwelling houses. Those losses since 1923 average $1,200 a day.

No pressure or intimidation has been put on the Doukhobors by the provincial government. I ask the honourable senator from Toronto-Spadina (Hon. Mr. Croll) to give me his opinion as to whether or not he would have them arrested for doing this kind of thing, or would he just speak nicely to them and let them go on their way. The latest damage, amounting to $1 million, was the dynamiting of one of the largest electric power lines in the west. This resulted in a thousand miners and smelter workers being off work for months. Of course, the provincial government sent up the police, who picked up quite a number of these people and took them off to jail. After a long and fair trial they were sentenced to prison. Offhand, I have forgotten the length of the prison terms, but the federal Government deemed it advisable to build a special prison for the Doukhobors. It was erected at a place called Agassiz, about sixty miles from Vancouver.

Now, I have heard and read of professors, schoolteachers and others criticizing and crying to high heaven about the Attorney General stopping fifteen hundred Doukhobors who were on the march to the prison at Agassiz. I have seen on television, and heard over the radio, speeches on this subject, particularly by women. By the way, the leaders of the Doukhobors are now women, not men. These people who appeared on T.V. and spoke over radio were shaking their fists and saying, "We are going to bust into the jail. We are on our way, and nothing on God's earth will stop us."

Now, if I were walking down the street and met a fellow with a gun who said, "Tom Reid, I am going to shoot you", would it not be the duty of the police to stop him? All the provincial government did in this case was to say, "We won't allow you to go to the jail." However, they took some precaution by putting barbed wire all around the jail.

There has always been trouble with the Doukhobors. The last time a group of them was jailed, they went on a hunger strike for, I think, over a week, and then the authorities ordered them to be fed forcibly. They were not to be allowed to die, and rightly so, and therefore it was justifiable to feed them forcibly. Yet the government was severely criticized by many people who thought it was barbarous to put a tube down the throat of a man or woman in order to maintain life.

This situation has prevailed with the Doukhobors for years and years. It applies to a small sect of about 1,200 persons, who are different from the rest of the Doukhobors, and who apparently cannot or will not be changed in their religious views.

Saskatchewan is a good example of an area where the Doukhobors have become real citizens of Canada. Their leader in that province is a prominent lawyer, and he and two or three others travelled to British Columbia and pleaded with the Sons of Freedom: "If you are going to carry on in this way for God's sake change your name to something other than Doukhobors, and do not bring all this disgrace and scandal on our race." However, they paid no attention to this pleading at all, nor to the speeches that were made to them by other Doukhobors from Saskatchewan.

Now, honourable senators, one reason I am opposed to the motion is that this dangerous group that is now in control evidently cannot be reasoned with, and so far nothing has been done with them. I do not really know what can be done with them. We certainly cannot put them in jail until they break the law. The provincial government acting properly, did go out of its way, and after a fair trial, put them in jail for burning houses, blowing up railway lines, and dynamiting power lines. But, something more, it seems, has to be done. I think the Attorney General of British Columbia did right when he stopped their protest march at a distance and prevented them from going any further. There were persons who condemned a small municipality which enacted a bylaw ahead of the time of their arrival prohibiting the Doukhobors from camping there. The question of the validity of that bylaw is now before the courts. I can well understand that action being taken by a small municipality when 1,200 Doukhobors were on their way to the town, intending to set up tents without

any sanitary conveniences or arrangements or water supply. We can well appreciate the mess that would result if they were allowed to camp there. Of course the people in the interior where they came from did not want them either and were quite willing to see them move elsewhere.

I oppose the motion to set up the proposed committee, because I feel the Doukhobors, that is the Sons of Freedom, are definitely against any kind of government or control by government. I am afraid that if a committee of the Senate were set up its investigations would have no effect at all as the Doukhobors would look upon it as government action. I am sure they would not know the difference between Parliament and the Government. The committee would go out from here as a Government body, and in my opinion only trouble would result.

However, if any committee is to be set up I would suggest that it be composed of representatives of churches, labour, industry, chambers of commerce, farmers, and women's institutes, and let them go out and see what they can do. I repeat, I would not be a party to a committee of Parliament being set up because its members would go out there as total strangers to the problem. The committee would have on it only one or perhaps two senators from British Columbia, and the others would know nothing of the destruction caused, or how troublesome the Sons of Freedom are now and have been in days gone by.

I think we should give the suggestion of setting up a Senate Committee a great deal of serious thought. On the other hand, if the committee were set up to function only in Ottawa I do not think it could get a witness from around the area concerned to appear and testify. They would be afraid of being bombed or having their houses burned. You cannot blame them. One really has to go out there to appreciate what is happening and to realize the serious problem that exists.

I was in the city of Nelson at the time the Doukhobors were holding a parade, and I saw a girl of twenty-two standing on the steps of a bank. This girl had been employed for four years in that bank and was a respected citizen. As the parade passed she ran down the steps past me, and all of a sudden her clothes were off and she was in the parade with the others. Can you explain that kind of mentality? Nobody can tell why they do these things.

It is my opinion that if a committee were sent out west it might not have anyone attend to give evidence. The Doukhobors would be very suspicious, for a Senate committee would be labelled as part of the Government of Canada.

I do not know what the cure is. I am very much surprised at the amount of support these people get from certain quarters such as university professors and those high-falutin boys who think they have brains, but many of whom have little, and who try to speak as with the voice of wisdom. These are the people who are damning the Government for not doing something more. But what can the Government do? Very little action can be taken unless the Doukhobors do something wrong. Seventy of them have been put in jail for their crimes.

Since the beginning of June, 170 homes have been destroyed in their sprawling shack villages hidden away in the Kootenay mountains in western British Columbia. Most of the arsonists are female members of the band of 4,000 fanatical Sons of Freedom. They are against the Government; they will have nothing to do with it.

Hon. Mr. Macdonald (Brantford): Would they burn their own homes?

Hon. Mr. Reid: Yes; I can show you pictures of what they have done.

Hon. Mr. Macdonald (Brantford): Or, did they burn other people's homes?

Hon. Mr. Reid: They burned other people's homes too, with the result that their neighbours became afraid to speak out against them. It was mostly the women who burned their own homes, and always burned them at break of day—it must have been a kind of ritual with them. After the houses were ablaze they stripped off their clothes and stood before their burning houses. The destruction of 160 homes is a big loss. I want to point out to those who are sympathetic with these people that everything possible has been tried to make real Canadian citizens out of them. The Government has not been using military or police force against them. I feel sure no one in the Senate would say they should not be taken to court for the damage they have done; nor do I think anyone would support the view that nothing can be done.

I may say that I would not like to be a member of a committee from this chamber because I know it would not get very far with the Sons of Freedom. As I said, they would look upon the committee as a Government body and they would almost be willing to sell their lives to block any action by the Government.

Honourable senators, I may have wearied you somewhat with the figures I have given, but I wanted to lay some of the facts before you and to let the Senate know at least where I stand on the question.

Hon. R. B. Horner: Honourable senators, I wish to say a few words on the motion to set up a committee of the Senate to investigate the Doukhobor problems. In proposing that such a committee be set up, the honourable senator from Toronto-Spadina (Hon. Mr. Croll) displayed a deep interest in this problem.

When I left the Ottawa Valley as a young man, and went west, I got firsthand information regarding the Doukhobors and the elaborate territory that was allotted to them. I only wish I had a picture of the many villages and the beautiful farmland allotted to these people along the banks of the North Saskatchewan River. Some of the finest townships in the west were set aside for the Doukhobors.

When they came to Canada in 1898 they were guaranteed, as the honourable senator from Toronto-Spadina pointed out, that they would never be asked to take part in military action. They were given territory and privileges that were unavailable to any other class of people in Canada or anywhere in the world. But the Doukhobors were beset with thievery by their leaders who misused their money. They were allowed to settle in beautiful villages with wide main streets, hundreds of houses on some of them, while every Canadian homesteader was forced to live on his homestead for at least six months of the year for so many years.

They were allowed to live in the villages and cultivate whatever land they wished. They held this land from 1898 until 1907. Naturally, just as there would appear to be now, there was a great crusade or political upheaval in the country and questions were raised as to why these people should be left in this position.

At that time, for some reason or other—perhaps in order to keep absolute control they were ordered by their leader not to take the oath of allegiance. Faced with this situation, the Government did everything possible to find a solution. They got a clergyman and a commission to go among the Doukhobors, explaining to them that although they would be asked to take the oath of allegiance they could still live in their villages. They refused to take the oath, and finally the Government was forced into the position where they had to make an announcement.

May I say that a few settlements grew up, but all this land was reserved for ordinary homesteaders, and it was amongst the finest in Canada. It was a beautiful sight, to go down to the villages and see the haystacks. They had a two-year supply of hay. The stacks were built to a great height, in fact so high that they had to erect scaffolding on the sides. They always had plenty of help in preparing their hay—the women raked it until it looked beautiful and would shed rain for years.

The thing I complain about is that they were given other special privileges that I do not think were agreed upon. They were allowed to register their own births and marriages; they had their own system of marriage and divorce. Now they appear to want to retain these privileges in spite of the Government's wishes. In other words, they want as little governmental control as possible.

The expression of opinion I have heard from the really good men among them today —men whom I could not distinguish from any ordinary good Canadian citizen—is that in the past the Government has not dealt with them severely enough. Recently one such man returned from British Columbia after the arrests had been made, and I said to him, "Well, Alec, what are they doing?" He said, "I think they mean business now. We are now going to get rough with those fellows, which is what we should have done long ago."

The honourable senator mentioned the fact that they even tried separating the children from their parents. It was never the intention merely to separate them. The only reason this happened was that the parents refused to send the children to school. The Government took the children from those parents who refused to send them to school, and the Government built a school and kept the children under its care. A few years ago that problem appeared to be settled; the parents agreed to send their children to school, and they were returned to their homes.

A few of them have their leader in South America, and they give money to him in just the same way as they did to the older Peter Veregin. This leader has bought himself a big estate down there, and has given his followers orders to make all the trouble they can.

Honourable senators, what I really rose to say was that rather than rendering the Doukhobors a service by forming this committee, we would be doing them a great disservice. They would be clamouring to come down here and be heard, and there would be no end to it. I say that rather than helping them to find a solution to the problem we would be doing them a great injury by setting up a special committee.

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

PRIVATE BILL

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—SECOND READING

Hon. John J. Kinley, for Hon. Mr. Paterson, moved the second reading of Bill S-8, respecting The Trustee Board of The Presbyterian Church in Canada.

He said: Honourable senators, this is a bill to amend chapter 64 of the Statutes of Canada, 1939. Its purpose is to clarify the powers of The Trustee Board of the Presbyterian Church in Canada with respect to the investment of funds, the retention of property, the arrangement of pensions for ministers, employees, and so on, and to clarify references in the act to the chief executive and administrative body of the said church.

For the most part these amendments deal with internal economy and administration, and I believe it would be salutary were the details explained in committee. For that reason, if the bill receives second reading now I shall ask that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Hon. Mr. Kinley: Honourable senators, the question arises as to whether this bill should be referred to the Standing Committee on Miscellaneous Private Bills or the Standing Committee on Banking and Commerce. As I have already mentioned, it deals with financial matters and pensions. I believe it is intended to have the Inspector of Insurance appear before the committee, as he has had something to do with the preparation of the bill. Therefore, I move that it be referred to the Standing Committee on Banking and Commerce.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 307 to 348, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 1, 1962

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

Prayers.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 349 to 378, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

PRIVATE BILL

THE NORTH AMERICAN GENERAL INSURANCE COMPANY—THIRD READING

Hon. A. K. Hugessen moved the third reading of Bill S-6, respecting The North American General Insurance Company.

Motion agreed to and bill read third time and passed.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—THIRD READING

Hon. M. Wallace McCutcheon moved the third reading of Bill C-63, to amend the Export Credits Insurance Act.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

Ottawa

November 1, 1962

Sir,

I have the honour to inform you that the Hon. Patrick Kerwin, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 1st November, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,

A. G. Cherrier

Assistant Secretary

to the Governor General.

The Honourable

The Speaker of the Senate.

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. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Clement A. O'Leary: Honourable senators, naturally it is with some trepidation and a sense of awe that I rise in my place for the first time in this chamber. The fact that I am junior in years—and perhaps in many other respects as well—has nothing whatsoever to do with my feelings. They are simply an acknowledgment of great men, past and present, who have graced and are presently gracing this chamber. That I am honoured and happy goes without saying, honoured that I should so suddenly find myself in the midst and part of such distinguished company, and happy that I should have been the one chosen to represent that part of Nova Scotia extending from Colchester County to the Strait of Canso.

May I say that it is many, many years since that particular area of the country was so recognized and, consequently, I would be less than grateful were I not to express my thanks and appreciation to the Right Honourable the Prime Minister for his obvious awareness of this fact and the rectifying of a situation about which we were not entirely happy over the intervening years. I know that no honourable senator present will accuse me of partisanship, at least so soon, were I to state that on the last occasion we shared a similar happy experience it happened that a Conservative Government was in power in Ottawa. I am sure that this must be pure coincidence.

Personally, I very humbly accept the great honour conferred upon me and I must at the same time accept the burden of the depth of responsibility attached. My role is by no means an easy one in that I follow in the footsteps of a venerable and respected friend of yours and mine, an exemplary Canadian whose long life was one of deep devotion to church and state, whose ideals must have had their motivation from concepts we recognize as the ultimate in human character. I am, of course, referring to the late Senator Felix Patrick Quinn of Halifax-Bedford. Honourable senators, I simply ask at this time that you accord me the privilege of accepting me as one sincerely attempting to be his worthy successor, hoping in due time to acquire just a few of those attributes which made him

so loved by all who knew him. I am sure that you will all agree that my aspiration is both noble and worthy.

Honourable senators, although my acquaintance with His Honour the Speaker has been relatively brief, it did not take me long to appreciate why he should have been so selected to grace the Chair. May I offer him my sincere congratulations.

The honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford), is not unknown to me, although I realize I am a comparative stranger to him. One with such a record of service in public life could scarcely escape the attention of an aspiring politician of many years or, for that matter, of anyone in this nation who is interested in public affairs. I wish him continued good health, and many more fruitful years of such service. I join with those who have preceded me in this debate in tendering him my deepest and most sincere sympathy in the recent irreparable loss of his beloved wife.

When I refer to the honourable the Leader of the Government (Hon. Mr. Brooks), who is, I regret, unavoidably absent today, I know that honourable senators opposite, and all honourable senators not from the maritime or Atlantic provinces will forgive my lighting up with pride when I recall our associations in days past. During the honourable senator's sojourn as a more active politician, during his memorable reign as Minister of Veterans' Affairs, I came to know, love and respect him. My ardour is presently undiminished; as a matter of fact, nothing could make me happier than continuing to serve under his wise guidance.

The mover of the motion for an address in reply to the Speech from the Throne (Hon. Mr. Haig) and the seconder (Hon. Mr. Fournier, Madawaska-Restigouche), truly distinguished themselves and thereby brought great distinction to themselves, this chamber and their respective provinces.

The honourable senator from Madawaska-Restigouche (Hon. Mr. Fournier), being a colleague from the other place, is perhaps the first of the new senators to whom I should express my delight on being his classmate here. This same expression of comradeship and pleasure is equally extended to the other six new senators.

I regret that the honourable and gracious senator from Fredericton (Hon. Mrs. Fergusson) is unavoidably absent from the chamber today. I find myself concurring at least in part with some of her remarks made in this chamber on October 25, more specifically where she addressed herself to the cause of some of our Maritime problems and the various attempts made towards solutions. Without seeking to labour regional thinking, I feel inclined to repeat and, therefore, quote the honourable senator when she said:

> The people from the provinces of New Brunswick, Nova Scotia and Prince Edward Island remember that in the days before Confederation we had a booming economy based on our free trade with our New England neighbours which we lost when, as a member of the Canadian Confederation, we had to submit to tariffs put on for the benefit of the industrial provinces of Central Canada.

I think that for my purpose here I need not comment further; instead, I will move on to the honourable senator's reference to her attendance at the annual meeting of A.P.E.C. held recently in her home town of Fredericton. After her explanation and detailed remarks, and also those made by the honourable senator from Murray Harbour (Hon. Mrs. Inman) in 1959, to which the honourable senator referred, I am certain this house is pretty well informed as to the aims and objectives of this Atlantic Provinces Economic Council, or A.P.E.C., as it is better known.

Relating her remarks to the Throne Speech I was happy to note that she, as a member of A.P.E.C. warmly endorses, as does the executive of that body, the intention of the Government to establish an Atlantic Development Board for the purpose of advising "on measures and projects that will promote the economic development of the Atlantic region of Canada."

In a national sense, perhaps this Atlantic Development Board might be considered secondary to, but certainly complementary with, the National Economic Development Board outlined in the Throne Speech. I think it obvious that there is a distinct relation between the two, with a special recognition of the several handicaps of the Atlantic provinces, and I believe we can all assume that the Atlantic provinces and the country as a whole, will benefit when both have been set up. I have no doubt but that the creation of the Atlantic Development Board will come about soon and that the personnel will be the best that can be found, namely, "individuals with wisdom, foresight and experience," a hope expressed by the honourable senator from Fredericton.

In addition to these important announcements contained in the Throne Speech, I note from the October A.P.E.C. Newsletter, volume 6, number 8, that this organization has considered noteworthy and of significant interest to the Atlantic provinces, and to the country generally, quite a lengthy list of items. Therefore, I shall start at the beginning and state that both the honourable senator from

Fredericton (Hon. Mrs. Fergusson) and I have covered the National Economic Development Board; we have both covered the Atlantic Development Board.

To these I will add, from my perusal of this recent A.P.E.C. Newsletter, first, the quotation from the Throne Speech, reading as follows:

> New opportunities are opening up for fruitful negotiations to reduce the barriers to trade on a general, non-discriminatory basis.

Reference was then made to the intended expansion of the export trade promotion campaign of the Department of Trade and Commerce. And under the same heading was quoted the statement from the Speech, reading:

> Its (the government's) commercial policy negotiations have the objective of opening additional markets to Canadian producers in fair exchange for opportunities for others to sell in Canada.

The Newsletter then commented as follows:

> In the long run, a policy of freer trade is apt to benefit the Atlantic provinces because of the relative importance of export-oriented resource industries in the regional economy.

A.P.E.C.'s Newsletter quoted further proposed legislation as follows:

> Far-reaching changes are taking place in manpower requirements in Canadian industries as a result of automation, other technological developments and world competitive pressures. A measure will be placed before you designed to assist employers, workers and their organizations in meeting the impact of industrial change.

The comment made here was that this might be intended to assist Canadian industry to adjust to current changes in world trade and other fields.

This Newsletter, in commenting on the establishment of a national power grid, suggested that this could mean "the earlier development of the hydro potential of such projects as Hamilton Falls in Labrador".

It was pointed out that the announced intention of the Government to implement some recommendations of the Royal Commission on Transportation is of more than passing interest to shippers in the Atlantic provinces. Favourable acceptance of this was quite definite and specific. It was related here, as all Maritimers are aware, that the Maritimes Transport Commission in its submission to the royal commission, in association with A.P.E.C., stressed the fact that over the years the horizontal freight rates policy has not been in accord with the Maritime Freight Rates Act, thereby reducing the assistance that might otherwise be received by regional shippers. Consequently, I am sure that all A.P.E.C. members were happy to read in the Throne Speech that the application of certain recommendations in this field are intended, "to remove the need for general horizontal freight rate increases which have borne so heavily in the past upon certain areas and groups of producers."

The Throne Speech proposals with respect to agriculture were quoted in part, having to do with ensuring the availability of storage facilities for feed grain in eastern Canada and British Columbia.

No mention was made in the Newsletter of the announced intention to increase funds under the Farm Credit Act and to permit "greater flexibility in their use." I was rather surprised at this omission, in view of the large segment of our population that may be favourably affected. However, I realize that it is quite possible that the details since publicized were not available when this issue of the Newsletter was being drafted. Keeping within the rules, I hope, I shall not at this time go into details, other than to state briefly what is common knowledge and is pertinent to agriculture in the Atlantic provinces.

The increasing of available funds under the act comes as a matter of necessity in the light of past experience, and perhaps more notably because of the "flexibility" referred to in the use of these funds in the future. In addition to off-farm earnings to be recognized as income for purposes of borrowing under the act, the amendments will, to take one example, permit the farmer to develop non-agricultural enterprises on his farm—almost any type of enterprise that will make for more profitable use of his land resources.

I believe we can all see that such a broadening of the act will do much to assist the low income farmer—and, unfortunately, we have a large number of these in the Atlantic provinces—by bringing him into that area encompassed by the ARDA legislation. And may I say that to my mind the success of the ARDA program is a "must" if we are to retain our rural population with such diversified occupations as farming, fishing, lumbering, construction work, and so on. In many instances all four mentioned are pursued by one and the same person in an effort to secure a modest standard of living.

Under the heading "Industrial Development" the A.P.E.C. organ quoted that part of the Throne Speech dealing with the proposed intention of the Government to expand further the role of the Industrial

Development Bank for national development purposes. Here funds for both the ARDA and the shipbuilding subsidies programs were mentioned—programs of intense interest to the Atlantic provinces. Under the same heading—and I do not know just why—were listed the intention to re-introduce, for example, the $50 increase in the personal income tax exemptions allowed for dependent children, other new tax exemptions, and so on.

I regret having used so many quotations from both the Throne Speech and the A.P.E.C. Newsletter. I did so only to stress the importance placed on the Throne Speech by this voluntary, nonpolitical and nonprofit organization which has as its basic objective Atlantic economic progress.

Here and now I would very much enjoy becoming a member of that "special task force," so-called by the honourable senator from Toronto (Hon. Mr. Hayden) yesterday. I regret that he, too, is not in his seat today. Due to a commitment made with respect to the time of the house I would take today, I must of necessity forgo membership in that delightful body, at this time.

Suffice it to say that just assuming this "special task force" were not a fictional creation in the mind of the honourable senator from Toronto, I cannot think of a more pleasant role to assume than that of an educator attempting to teach those who so aptly fit into the category of the "none so blind as those that will not see," that the image of the Prime Minister of this country rightly deserves to be placed on "the highest pedestal possible," and that, as the honourable senator is very well aware, as are the majority of financial institutions and businesses across this country, this past year has by no means been unrewarding for them. It is not necessary for anyone to climb onto cloud nine, or use any words of embellishment to point up this fact.

Honourable senators, in conclusion I simply say that I appreciated this opportunity to make these few remarks. In the future, both in the deliberations of this house and in the committee work, I sincerely hope I may be useful.

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

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

Hon. David A. Croll moved the second reading of Bill S-3, to make provision for the disclosure of information in respect of finance charges.

He said: Honourable senators, I take pleasure in moving the second reading of this bill which has now become a hardy perennial. On three previous occasions I introduced a bill similar in principle to the present one. On the first occasion the bill received second reading and was under consideration by the Standing Committee on Banking and Commerce when prorogation supervened. I first spoke to the matter on May 11, 1960, as reported in Senate *Hansard*, at page 559. On that occasion I gave general examples of interest charges, hidden charges, and second mortgage manipulations. On the second occasion the motion for second reading was defeated by a comparatively small margin. I spoke on February 2, 1961, as reported in *Hansard* commencing at page 299. There I repeated much of what I had already said, and I added further examples as applied to furniture, television, and radio financing.

On the third occasion, in the last session, the bill received second reading without a recorded vote, and had been referred to the appropriate committee when Parliament was dissolved. The report of my remarks on February 13, 1962 commence at page 141 of Senate *Hansard*. At that time I spoke of the changes which had been made in the bill and limited its application to consumer credit. On that occasion I again presented the available facts and gave the arguments to meet the assertion charge that had been made, and which I will discuss later, that there were some mathematical difficulties in that we Canadians could not add, subtract, or divide. I hope that this bill will make further progress than its predecessors, although I observe that the life of the Twenty-Fifth Parliament hangs on a very slender and, indeed, fragile thread. I hope it lives long enough to deal appropriately with this bill.

I intend at this time, for the benefit of new senators and for the refreshment of the memory of others, to traverse the ground once again. I shall, however, be as brief as possible, and shall present the case in capsule form; even at that, it may not be short for I feel it is necessary once again to bring the subject matter into proper focus.

The opposition raised four points.

Hon. Mr. Macdonald (Brantford): Who are the opposition?

Hon. Mr. Croll: Those persons who opposed the bill or spoke in opposition to it, and they were on both sides of the house. They raised four main points: first, the question of constitutionality; second, that there was no demand for the bill; third, that there was no need for the bill; and fourth, that it could not be implemented and was unworkable.

Let me deal first with the question of constitutionality. It seems to me that that was amply answered by the opinion which was given by our Parliamentary Counsel, Mr. E. R. Hopkins, who is considered learned and distinguished in these matters. He said that in his view the bill was constitutional on two grounds. I shall not discuss those at the moment, but you will find his opinion as an appendix to Senate *Hansard* of February 2, 1961. It would appear we are always involved with the British North America Act in this house, but whether one is a lawyer or a layman it is interesting to read it for its background and educational value. If after reading that opinion there is still some doubt in your minds, you might look at the opinion of Mr. F. P. Varcoe, Q.C., given in 1935, when he was Deputy Minister of Justice, in connection with the Small Loans Act, which in principle is the same as this bill except that it relates to cash loans.

I think you will have no difficulty in reaching the conclusion that this bill is constitutional but, if necessary, I shall once more in the course of my discussion try to clear that matter up. I feel that opposition on the ground of constitutionality has been or will be abandoned. In any event, it is untenable, as I shall once again demonstrate.

Hon. Mr. Higgins: May I interrupt the honourable senator to ask a question? Is he going to deal with the Unconscionable Transactions Relief Act of Ontario which I believe was recently declared *ultra vires* by the court of appeal of Ontario. I have not had an opportunity of reading the case, but I believe the court ruled that its provisions came under federal rather than provincial jurisdiction.

Hon. Mr. Croll: Exactly.

Hon. Mr. Higgins: Has the honourable gentleman considered that case?

Hon. Mr. Croll: Yes, but I had not intended bringing it up at this point. It was my intention to wait until the opposition had had an opportunity to speak, and to mention that case in my rebuttal. The honourable senator is anticipating me.

The previous debates on the principles of this bill have been excellent and, as a result of the contributions made by some honourable senators, this bill has been refined and polished from time to time. It is now as nearly perfect as I can make it. It is almost the same as the bill I introduced during the last session, except that a brief preamble has been added.

Preambles, by the way, are somewhat out of fashion, so a word of explanation here will, perhaps, be in order. Let me read the preamble and then explain why I put it in:

> Whereas Canadian consumers generally are not being fully or accurately informed, with reference to any recognizable common standard, of the cost of the credit extended to them in respect of retail purchases, and it is highly desirable in the public interest to ensure that in future they will be provided with such essential information: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

There is a preamble to the Small Loans Act, and on one occasion before the Standing Committee on Banking and Commerce Mr. Varcoe suggested that the preamble had an important bearing on the constitutionality of the measure. I did not subscribe to that theory, and I do not now. I have not added this preamble with any thought of strengthening the constitutionality of the present bill. In this case it does not, in my opinion, require strengthening, as I shall demonstrate. It is my thought, rather, to focus attention on the purpose of the bill; to focus attention on—to use a lawyer's term—the mischief which the bill seeks to remove.

Explanatory notes, it is true, serve a purpose. However, those notes do not appear in the statute books as does the preamble. It is an integral part of the legislation which is permanently recorded.

The other changes in wording are minor and are, I think, of rather inconsequential character, designed only to clarify the measure.

This bill is designed to protect the consumer from the harsh consequences of easy retail credit, and to require those financing such credit to disclose all their charges whether they are called interest, finance charges, carrying charges or otherwise.

Honourable senators, what does this bill mean? The Industrial Acceptance Corporation issues a publication called Merit News—you have all received copies of it. I am referring to the issue of April-May, 1962. Though the I.A.C. is no ardent lover of this bill, I nevertheless agree with these words:

> From time to time well-meaning demands are voiced for legislation requiring all consumer finance charges to be expressed in terms of simple annual interest. The purpose of this legislation is stated to be three-fold:
>
> 1. That simple interest would provide a common denominator which would allow the consumer to compare the cost of credit from various sources—and thus be able to shop for it more efficiently.

2. That the "full disclosure" of finance charges in terms of simple interest would highlight the cost of consumer credit. This, it is suggested, would encourage consumers to buy within their means and avoid excessive use of consumer credit.

3. By requiring merchants and financial institutions who extend consumer credit to disclose the "true" rate of "interest" it is felt that an unscrupulous minority would not be able to take advantage of the uninformed by charging excessively for consumer credit services.

What does this bill mean in language that the layman can understand without difficulty? If you buy an automobile for $2,500 by making a down payment of $500 and spreading the rest of the cost over a three-year period the dealer will tell you that the charge will be $65.56 a month. If this bill is passed he will have to disclose that the finance charges on the $2,000 you owe amount to $360, and that the annual interest rate is 11.5 per cent. If you acquire a refrigerator without any down payment and make 18 monthly payments of $26.18 to pay for it, the dealer must tell you that the annual interest rate is actually 22 per cent.

The purpose of this bill is to arm consumers with information which will enable them to shop intelligently for the best credit deal. Because consumers are the most vulnerable and the most unorganized people in our society, besieged by advertising, pressured by salesmen, and victimized by monopoly prices, they are almost defenceless against the onslaught on their pocketbooks by unscrupulous vendors who overpersuade the unwary buyer of modest means with the "no payment down and take all the time you want" pitch. The true interest charge on the deferred balance is not revealed, and the seller makes his money out of financing the debt rather than from a legitimate profit on the merchandise.

Honourable senators, I said I would indicate to you the need for this bill. I am satisfied that I do not need to waste time in this chamber talking to you about the need for it. It is well known to all of us. I have received a great number of unsolicited letters from all parts of the country, and those which I shall read are all signed.

I have a letter from a professional man in London, Ontario, which reads:

> Anodized aluminum siding was being put on a house across the street and I asked for an estimate to sheathe my house. When I asked if this was the price for cash down, he said he did not accept full payment by the customer as he has an agreement with the loan company only to do work paid for through the loan company on their terms to the customer. It made no difference to him as the loan company paid him in full on completion of the job. I refused to deal with him.

I have a letter here from a lady in Calgary in which she says this:

> Some stores have a type of charge account which permits the customer to pay only part of the amount owing. At the end of the month he receives a bill and, unless he pays the full amount owing, service charges are added to the bill the following month. However, these service charges are not based on the amount actually owing, but on the amount owed the previous month. Thus, if the bill was $100 and on receiving the bill he paid $50, the following month service charges of approximately 1-1½ per cent on $100 would be added before the $50 was deducted.
>
> I complained about this some time ago to the credit department of Simpsons-Sears. The assistant credit manager assured me that they did not do this and agreed that it would be dishonest. I explained that they did and was referred to the credit manager. He said that it was store policy across Canada and that he could do nothing about it. I know personally of several people who closed their charge accounts there when they realized that they were being overcharged. Since that time the Hudson's Bay Company has instituted this policy also and just recently the T. Eaton Company has followed suit.

What the lady was talking about, of course, was what we call revolving credit. That is the poor man's charge account, which permits him to be permanently in debt to the vendor, for a price. It reminds me very much of the company town where the employees had to buy everything from the company stores and as a result they remained perpetually in debt. The only difference today is that such people have a choice as to who should be their creditor.

I have a letter here from the Better Business Bureau, Vancouver, as follows:

> It is the common practice for firms, which cannot do their own financing, to make arrangements with finance companies to take care of their credit sales.
>
> The finance companies supply the forms used by the vendors.
>
> The vendor writes, or types, the terms of the contract, then presents them for signature.

> What happens is the purchaser, if he is careful, will read only what is written, or typed, and when satisfied sign as instructed by the salesman. Purchasers often are unaware of the fact that they have entered into a contract with a finance company—not the vendor.
>
> Therefore, it appears to me, unless other guarantees or contracts have been made between vendors and purchasers, the latter, if dissatisfaction should occur, may have no right to go to the vendor for satisfactory adjustment of a complaint.
>
> One of our own staff stated she had no idea the deal was being financed by a finance company until she received notice and payment arrangements from the finance company.

Hon. Mr. Reid: I should like to ask the honourable senator a question. I have in mind the case of a man who bought a frigidaire for $450, and after some time he still owed $400. He had not been told when he bought the article that arrears of interest would be added to the capital and that he would pay interest on the whole amount. Would the honourable senator's bill protect such a purchaser in that he would be told, when making a purchase, just what he would be up against?

Hon. Mr. Croll: That is precisely what I have been talking about. The bill is designed to require that the purchaser be given the information, be given the truth in lending, be given all the facts. I do not know the facts of the case to which my honourable friend refers, so I shall not prejudge it or give an opinion on it, but I can say that my friend is right as to the purpose of the bill.

Hon. Mr. Higgins: The purchaser probably signed a document and did not know what he was signing.

Hon. Mr. Croll: Quite possibly.

I have a letter here from an executive of the Confederation Life Association. I should like honourable senators to listen carefully to what this executive says:

> I really feel that some of the advertising done on the radio by the finance companies is dishonest and leaves the impression that if you borrow a certain amount of money that you have a certain interest rate on the total loan.
>
> This is not the case, as you no doubt know, and just this week I had the occasion to go with a man to the finance company to pay off the loan on his car.

Mark these words:

> This man originally borrowed $1,500 and there were three rates of interest in the calculation. On the first $300 he was paying 2 per cent per month or 24 per cent per year. He was paying on the loan over $300 to $1,000 1½ per cent per month or 18 per cent per year and on the balance of $500 he was paying ½ per cent per month, which is only 6 per cent per year.
>
> You can see from this simple illustration that if he paid the first $500 on the loan that he was still saddled with a $1,000 loan on which he was paying 18 per cent per year on $700 and 24 per cent on $300. These finance companies and the way they operate disturbs me greatly and I certainly hope that this year you will be successful with the bill you are introducing.

I have in front of me an item from the Toronto *Star* of April 12, under the headline: "By Pierre Berton". He made some study of this subject, and I have quoted him on other occasions. This is a typical account, but I should like to get the message across. He says:

> The cost of money in the automobile field is as difficult to reckon—and as confusing—as it is in the other fields which I have been exploring in this informal series on instalment buying. Most of the information given out by salesmen is misleading, incomplete or just plain wrong. Almost nobody can tell you what your money will really cost you if you buy a car on time. Even the acceptance corporations won't come up with the true interest rate . . . About the only real rule that seems to apply is that new cars are cheaper to finance than used cars. Generally speaking, my informal survey of leading new car lots showed that the rates were generally lower than they were for furniture and appliances which you'll remember ran between 17 and 32 per cent.

Honourable senators will remember that I dealt with the point of furniture and appliances when I spoke on a similar bill at an earlier session. The article continues:

> In the new car field the interest rates seem to run between 13 and 22 per cent . . .
>
> On used cars, interest costs vary more widely. The worst example I've yet come across was that of a man in Aylmer, Ontario, who bought a six-year-old Pontiac from Nash & Bell Motors on an 18-month installment plan, financed through Associates Discount. His money cost him a little over 36 per cent per annum. This

was in 1958 before the banks got actively into the business of car loans. However, in a more recent case, last summer, a Toronto man paid upwards of 32 per cent in interest charges on a five-year-old Mercury Sedan from Arby Motors Ltd. financed through Danforth Discount.

Such charges are often made on the basis of a man's credit rating; in the latter case the purchaser had borrowed the down payment from a finance company and so he had no real equity in his automobile. In both instances, it's significant that the purchasers couldn't keep up their payments and the cars were repossessed.

THE SALESMAN GETS A CUT:

An even odder case, which I'd scarcely believe if I hadn't seen the contracts and payment books, involves a man who bought a two-year-old station wagon from Del Bodkin Motors in New Toronto. He made a substantial down payment and the contract shows his interest rate was only 14.4 per cent per annum. However, the Delta Acceptance payment book showed that monthly payments were four dollars a month higher than the contract showed. This brought his true rate of interest to 18.8 per cent per annum. He couldn't handle these payments and so traded down to a cheaper car. On this his rate of interest was 29.1 per cent.

In the automobile field the scales seem to be tipped against the man who wants to pay cash, just as they are tipped against the man who wants to pay off his loan at an earlier date than set.

Recently a customer who had bought a new car at a true interest rate of 16.8 per cent through General Motors Acceptance Corporation, decided to pay it all in the fifth month. The extra finance charges brought the cost of his loan to 25.3 per cent per annum. That's because there are certain fixed charges on these loans that can't be returned.

It's well known in the auto industry that some of the profit of cars comes as a result of cutbacks from acceptance companies. Part of this cutback is passed along to the car salesman on the floor which means that every man has a vested interest in talking his customers out of paying cash.

I have a copy of standard salesman's agreement put out by Hogan Pontiac, which uses General Motors Acceptance Corporation. This agreement shows that every salesman gets a bonus for every car he finances through GMAC. On new cars this bonus starts at $10 per contract. If he sells more than 15 contracts he gets $15 for every car he finances—and that payment is retroactive. No wonder salesmen find it attractive to boost the easy payment plan. (Some used car dealers, who charge about 30 per cent interest make their profits almost entirely from financing. They're really in the loan business.)

QUOTING THE DISCOUNT RATE:

Here's a rundown of Operative 67's recent experience in trying to find out the true interest rate on a loan of $1,500 from six auto firms selected at random.

Ensign Motors, Queensway: Salesman said rate depended on customer's credit rating and amount put down. If down payment was 25 per cent, loan was at six per cent; otherwise at nine per cent. He insisted rate was only charged on a reducing balance. An actuarial check on actual payment showed the "six per cent" loan ran at 13.4 per cent for 24 months and 12.3 per cent for 12 months; the "nine per cent" loan at 18.7 and 18.3 per cent respectively.

Plaza Chev. Eglinton: "I wouldn't care to work it out," said the salesman, "but it comes to 8 or 9 per cent." We worked it out: It came to 17.7 per cent over 30 months.

Renault, Canada Ltd., Golden Mile: They claim the interest is 9 per cent. It came to 18.8 for 30 months; 19.2 for 36.

Volkswagen, Canada Ltd., Golden Mile: They claim the interest on a new car for two years is 6 per cent. Payments worked out to 13.3 for 2 years, 14.1 for 30 months and 14.5 per cent on 36 months. They claim the interest rate on a used car is 7 per cent. It worked out to 16.5 on two years; 17.2 on 30 months. The interest here rises depending on the length of a loan, thus, from a sales point of view the longer term loans are the most attractive.

York Mills Pontiac, Yonge St.: The salesman said the interest would be exactly 11.14 per cent financed through GMAC. Actuarially the real rate works out to 22 per cent on 24 months and 22.8 per cent on 30 months.

Grant Brown Motors, Weston: Salesman said the interest rate would be 6.8 per cent (also financed through GMAC!) On the payment schedule he gave it worked out to 16.8 per cent over 30 months.

> What these salesmen are usually quoting is not a true interest rate, but an approximate discount rate, in which you pay interest on money you've already paid back. It is this mathematical trick that allows them to quote lower rates without a twinge of conscience.

Now, I said I would deal with the question of demand for the bill.

Hon. Mr. Emerson: May I ask the honourable senator if he has been reading from an article written by Pierre Berton in the Toronto *Star*?

Hon. Mr. Croll: Yes. You know him by reputation. He is a very well-known columnist.

Hon. Mr. Emerson: Oh, yes.

Hon. Mr. Croll: I now go to the question of demand. On another occasion I said, and I repeat now, that the principle of this bill has the support of the Consumers Association of Canada, the Canadian Federation of Agriculture, the Canadian Congress of Labour, the Canadian Welfare Council, the Canadian Catholic Conference, the Anglican Church of Canada, credit unions, co-operatives, and numerous organizations. There have been countless editorials in many papers, on the principle involved in this bill, and I have yet to see one in opposition. The support for the bill is snowballing, and I believe it will soon be overwhelming. It is interesting to note that this is not a party bill or a partisan bill. Last year a Conservative member introduced a similar bill in the House of Commons. This year a Liberal member and an N.D.P. member of the House of Commons introduced bills similar to the one that is before us now.

I have before me a copy of a letter which was sent to me, dated March 1, 1962 and addressed to the Honourable Salter Hayden. This letter was written by an investment counsel of the city of Toronto, and reads as follows:

> The *Globe and Mail* today quotes you as doubting that all the people who buy on time have no knowledge of arithmetic and have no native shrewdness. I respectfully suggest that your information in this area may be inadequate, and that careful interviews would show that many of the people who buy on time have but a vague understanding of the total cost, and scarcely any understanding of what it means as a rate of interest. It is true that most people, if informed that the financing of the merchandise will cost $50 and that the interest will be 25 per cent (your example), would proceed with the transaction in any case, but at least they would have the opportunity to understand, and the opportunity to compare. Moreover, there are some people who would not proceed with the transaction, because they would decide that the cost was too high.
>
> On purely economic grounds I believe a strong case can be made for legislation of this type. Disclosure would foster comparisons and competition, and would lower the cost of consumer financing. Free economic forces would accomplish what regulation never can. There would be economic benefits of a broader nature also, because a reduction in the profitability of consumer lending would tend to channel funds into more productive and constructive activities. (You will be well aware that there are ample funds in Canada for conservative loans at 5 per cent to 7 per cent, but an inadequate flow of funds into more venturesome and creative investments where the appropriate return is higher.)

He continues:

> The foregoing sets forth rather inadequately why you have seen so much support for the bill from what you describe as "responsible public organizations and in newspaper editorials". I think the closer one is to the man in the street the more one sees the need for this legislation. It seems to me morally desirable, economically sound, easily workable, and consistent with the spirit of free enterprise.
>
> I believe that passage of the bill will reflect credit upon those who support it.

Now let me say something on the other point raised: Can it be implemented? Is it workable?

The suggestion was made that the bill could not be implemented because it could not be made workable. I refer you to, and remind you of, a letter which I read to this house on April 3, 1962, written by a university professor. I had called him earlier and asked him if I could use the letter, and he said, "By all means." The letter was written by Professor Stanton of the University of Waterloo, head of the Department of Mathematics since the day the department opened.

The letter was addressed to the Financial Editor of the Toronto Daily *Star*, and dated March 30, 1962. This letter can be found on page 437 of the Senate *Hansard* of April 3, 1962 but, as I want the record to be a continuous one, I shall again read it.

> Dear Sir,
>
> It is perhaps unnecessary to write you, since others have probably already

pointed out to you the incorrect picture given on page 14 of the Toronto *Star* for March 28. The article on simple interest, far from being an impartial survey, merely publicizes incorrect or misleading statements made by the finance companies. In particular, the impression that the mathematical equation given cannot be solved, is absolutely incorrect; it is a matter of the most extreme simplicity to make a table giving the solution for various values of the symbols involved. Any car dealer who is capable of reading a table (such as the present tables giving sales tax) would likewise be capable of reading off the effective interest rate from a table giving effective interest rates.

Whatever may be the merits or demerits of Senator Croll's bill requiring disclosure of effective interest rates, inability to compute these effective interest rates is not a failing of the bill, and any pretense that there is a mathematical difficulty involved has no basis in fact.

The opponents of the bill argue that computation of annual interest rates would be a burden on the small retailer. Financial tables are available now for the computation of interest on bank loans made to businessmen who, for themselves, insist on knowing the true annual interest rate on the money they borrow. Surely our computers are capable of solving this minor mathematical problem for small retailers.

I referred a few minutes ago to an investment counsel from the city of Toronto who wrote to the Honourable Senator Hayden. Let me quote what he had to say on this point, under the heading "Workability".

> There are really no practical obstacles to the calculation of rates of interest. The truth is that, in attempting to defeat this legislation, lenders have posed examples which are far more complex than those which are used in real life. Thus, they produce a variety of different answers from different experts. However, in practice, loans usually call for orderly and uniform repayments, and the true rate of interest can be determined within a fraction of a per cent. The workability can, therefore, be ensured by requiring disclosure to the nearest one-half per cent, or even to the nearest per cent.

While some might think the principle of the bill might go further, it is in fact restricted in its application. It applies only to the sale of consumer goods on credit. It has no application to cash loans or mortgages on real estate.

The *Financial Post*, which is a leader in its field, deals with the subject of mortgages—I quote from the Toronto Daily *Star* of March 23, 1962—and endorses the bill in these words:

> But it would be very much to the benefit of all Canadians if the Government were to take up the Croll idea, expand it to include regulation of mortgage lending, and rap the knuckles of a business which, on the fringes at least, thrives on widespread public ignorance and its own greed.

Moreover, I point out that there is no criminal liability which would flow from non-disclosure but, in the event of non-disclosure, a credit financier would be unable to retain or recover any part of the finance charges.

This bill constitutes an important first step in the protection of consumers of retail credit. It is based on the premise that if people knew what they were being charged they would be less likely to make instalment purchases which would leave them hard up or destitute, and at the very least, would enable them to shop intelligently for credit.

Why do people enter into these instalment arrangements often at grave risk to the financial security of themselves and their families? It is easy to say, "Charge it", sign a piece of paper, and walk away with the merchandise. It is easy to avoid finding out what the finance charges are, not having to face up to them immediately. The sole purpose of this bill is to require credit financiers to tell the truth about these charges. In too many cases the consumer is misled into paying a higher price for credit than he has been led to expect, and indeed a higher price than he can afford.

Honourable senators, this bill does not attempt to set a ceiling on finance charges. Perhaps it should, as does the Small Loans Act in respect of cash loans. What it does do is protect the innocent, the unwary, the ignorant and the unsuspecting by requiring that they be fully and accurately informed of the costs they are incurring. As I remarked on an earlier occasion:

> In this age of credit card mentality, the consumer is being sliced up like a piece of cheese and he hardly realizes it.

The letter I read to you from a life insurance executive in Kirkland Lake should make honourable senators think, as I am sure it will, when they realize that the interest rate to a borrower of $1,500 was sliced up between 24, 18 and 6 per cent.

I must emphasize that this problem is big, it is national, and it is a growing one, although in the beginning it may have been small, occasioning only isolated cases of hardship.

On April 3 last I placed on Senate *Hansard* a table showing the extent of the retail credit extended to consumers in each year from 1952 to 1961. There was a substantial increase each year from 1952, when the amount was $1,073 million, until December 31, 1961 when it was $2,349 million. These statistics come from the Bank of Canada. The latest figure, as of the end of June, 1962 is $3,417 million.

I have an article taken from the Ottawa *Journal* of July 13 last, headed "Canada's Credit Spree". In part, it reads:

> Thrift, to some economists, is an old-fashioned and not an entirely respectable virtue. Too much saving stagnates the economy, goes the theory. Business booms and everyone prospers when the consumer, with credit or with cash, buys, buys, buys.
>
> There is enough truth in the theory to make it attractive. Certainly it has become part of the way of our times to go into debt in buying a house, a car or major appliances. Borrowing even for luxuries carries no stigma. The man who saves until he can pay cash for his home or his car is a rare bird.

Hon. Mr. Lambert: May I ask, is that total consumer figure all-inclusive?

Hon. Mr. Croll: Yes.

Hon. Mr. Lambert: It excludes mortgage charges, but consumer credit represents everything else?

Hon. Mr. Croll: That is right.

The article continues:

> But what do we say in the face of the Dominion Bureau of Statistics' cold figures this week that the total debts of Canadians to the banks rose by 21.2 per cent in one year? How are we to regard the increase of 18 per cent in home improvement loans, the 11 per cent rise in debts to department stores? The small loan companies increased their lending by 11.2 per cent.

Honourable senators, it is easy to forget that the problem did not escape unnoticed by the Royal Commission on Canada's Economic Prospects—the so-called Gordon Commission. On page 439 of the volume entitled "Conclusion" there appears the following:

> The insensitivity of consumer-borrowers to the costs of funds may be impossible to overcome, but as we suggested in chapter 5, we should at least take steps to ensure that individuals are informed of the rates of interest they are required to pay and informed in such a way that they may easily, without using slide rules, compare the rate charged at one source with the rate charged at others. If the suppliers of the funds themselves continue to display an unwillingness to advertise their charges clearly and effectively, it may be necessary to exercise Parliament's jurisdiction over matters pertaining to rates of interest and pass legislation requiring uniform, clear announcement of the rates of interest charged on loans to consumers, in terms of some common formula.

There could hardly be a more precise endorsement of the principle of the present bill than what I have just quoted from the Gordon report, and I could not put it better.

May I add that President Kennedy is also in my corner—and, I hope, in the corner of the Senate. I have a press clipping from the Ottawa *Citizen* datelined, "Washington, March 16, 1962," which says:

> President Kennedy has sent Congress a large package of proposals to protect the consumer, including instalment contracts that reveal the true rate of interest.

Next I quote from the *U.S. News and World Report* of March 26, 1962:

> Mr. Kennedy urged legislation to provide what he termed "truth in lending". Lenders would be required to tell borrowers before they sign on the dotted lines and this would apply to all types of credit, including instalment buying.

Honourable senators, I do not believe there is any opposition of consequence to the principle of this bill and on second reading it is the principle of the legislation that is under consideration. If there are arguments about details, they can be dealt with adequately in committee. That is what our committees are for, and it is a function they perform extremely well. It is there that the practical effect of the bill can best be canvassed.

Nor do I believe that we need be concerned further over the question of constitutionality. It is legislation in respect of interest, a subject-matter assigned by the British North America Act to the "exclusive legislative authority" of the Parliament of Canada. If this is so, it is no answer to say that it is a matter of contracts and thus "Property and Civil Rights within the Province".

Indeed, "interest" has been held judicially to include "contractual interest". It has also been suggested—without, I believe a shred of authority to support it—that interest must be narrowly construed to mean "regulation of interest", and that "regulation of interest" must, in turn, be construed to mean the establishment of maximum ceilings for interest. However, the cases do not support any such narrow construction, nor does the

British North America Act itself. On the contrary, both the act and the precedents point unmistakably to the conclusion that any legislation which in pith and substance deals with interest—and this would clearly include the disclosure contemplated by this bill—is valid federal legislation.

Honourable senators, I will not develop this further at this time, since I dealt with the matter at great length in closing the debate last session, and a further opportunity will be afforded me, should it be necessary to take advantage of it, later this session.

Honourable senators, may I also observe that this bill incorporates the "all-inclusive" principle, which is to the effect that such legislation would be abortive unless all charges were included. Not only has this principle been embodied in all the small loans acts of the various States of the Union, but it has been embodied in our own Small Loans Act, which deals with cash loans and has been on our statute books for many years. The definition of "finance charges" in this bill is practically identical with the definition of "cost of a loan" in our Small Loans Act.

I merely add two comments at this stage. The constitutional validity of the Small Loans Act has never been questioned or challenged. Moreover, it has been amply demonstrated that it works; it is in operation daily and no difficulty has been encountered either with the application of the "all-inclusive" principle, or with the requirement that charges for cash loans up to a specified amount are limited percentagewise.

I invite honourable members to dwell upon what I have just said.

It has also been said that the enactment of this bill would dry up the well-springs of credit. To this I simply say that the passage of the Small Loans Act did not stop the making of cash loans. It simply brought the companies under reasonable control and, as has been indicated, they are growing by leaps and bounds.

Honourable senators, there are some ailments of the body politic which it may not be possible to cure, but which may be ameliorated or controlled. The present bill is of an ameliorating character, and I feel sure that it will have the desired effect upon both the purveyors and the consumers of credit.

What is obviously needed is a consumers' bill of rights on a national scale which is as comprehensive as possible within the limits of federal jurisdiction and, as we have seen, federal jurisdiction with regard to interest alone would go far to provide a constitutional basis for such a consumers' bill of rights. The consumer has the right to be informed, and this bill will result in his being informed.

Honourable senators, I hope that this bill may shortly be referred to the Banking and Commerce Committee. The life of this Parliament, as I have indicated, may be short, if not sweet, and we ought to try to make as much progress as we possibly can before dissolution is once more upon us. I hope that we shall conclude the debate on second reading as soon as possible and allow this measure to go before the committee where interested persons can be heard. Then in the light of all the facts the decision will be that this is a good bill.

Hon. Gray Turgeon: Honourable senators, I shall not detain the house for more than a minute. I voted against the predecessors of this bill in other sessions, but I have told the sponsor, the Honourable Senator from Toronto-Spadina (Hon. Mr. Croll), that I would vote for his present bill because of certain changes he has made in it. At this time I merely wish to inform the Senate that I intend voting for the bill, despite the fact I voted against the previous bills.

Hon. Malcolm Hollett: Honourable senators, the honourable senator from Toronto-Spadina (Hon. Mr. Croll) has left me convinced that if I did not vote for this bill I would have no regard for the people who sent me here. I have seen a lot of cases, too, whereby people who bought consumer goods on credit have finished up broke, to use the common phrase, in trying to pay off the amount which they borrowed, not knowing at the time of borrowing that they would have to pay so much by way of interest.

The only thing I regret is that the honourable senator has taken too many teeth out of his bill. It now applies only to consumer credit and does not cover other types of loans. I am sorry that this is the situation, but I intend to support it anyway.

In my own province I know much use has been made of credit buying, and the credit financiers seem to be thriving wonderfully well. They are prospering in every sense of the word.

I do not wish to delay the house, but I want to express my opinion that this legislation will not harm anyone; on the contrary, it will do a lot of good for our friends and neighbours, and I certainly will support it.

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

The Senate adjourned during pleasure.

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 the Governor General was pleased to give the royal assent to the following bill:

An Act to amend the Export Credits Insurance Act.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

ADJOURNMENT

Leave having been given to revert to the order for motions:

Hon. Arthur M. Pearson: Honourable senators, I move, with leave, that when the Senate adjourns today it do stand adjourned until Tuesday next, November 6, 1962, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, November 6, at 8 p.m.

THE SENATE

Tuesday, November 6, 1962

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

Prayers.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Report for the calendar year 1961, of the Board of Grain Commissioners for Canada. (French text).

Report of the Department of Transport for the fiscal year ended March 31, 1962, pursuant to section 34 of the Department of Transport Act, chapter 79, R.S.C., 1952. (English text).

Report of the Department of Veterans Affairs, The Canadian Pension Commission and The War Veterans Allowance Board, for the fiscal year ended March 31, 1962, pursuant to section 9 of the Department of Veterans Affairs Act, chapter 80, R.S.C., 1952. (English text).

PRIVATE BILLS

THE EVANGELICAL LUTHERAN SYNOD OF WESTERN CANADA—FIRST READING

Hon. John Hnatyshyn presented Bill S-9, respecting The Evangelical Lutheran Synod of Western Canada.

Bill read first time.

Hon. Mr. Hnatyshyn moved that the bill be placed on the Orders of the Day for second reading on Wednesday, November 21.

Motion agreed to.

THE UKRAINIAN CANADIAN FOUNDATION OF TARAS SHEVCHENKO—FIRST READING

Hon. Mr. Hnatyshyn presented Bill S-10, to incorporate The Ukrainian Canadian Foundation of Taras Shevchenko.

Bill read first time.

Hon. Mr. Hnatyshyn moved that the bill be placed on the Orders of the Day for second reading on Wednesday, November 21, 1962.

Motion agreed to.

THE SOVEREIGN LIFE ASSURANCE COMPANY OF CANADA—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-11, respecting The Sovereign Life Assurance Company of Canada.

Bill read first time.

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

Hon. Mr. Thorvaldson: Honourable senators, I shall not be able to be present on Thursday next, and for that reason I ask leave to proceed with the second reading tomorrow. The bill merely provides for a French translation of the company's name.

Hon. Senators: Agreed.

Hon. Mr. Thorvaldson moved, with leave, that the bill be placed on the Orders of the Day for second reading tomorrow.

Motion agreed to.

ALLSTATE LIFE INSURANCE COMPANY OF CANADA—FIRST READING

Hon. Mr. Thorvaldson presented Bill S-12, to incorporate Allstate Life Insurance Company of Canada.

Bill read first time.

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

Hon. Mr. Thorvaldson: If honourable senators would give me leave, I would move that second reading of this bill be considered tomorrow.

Hon. Mr. Macdonald (Brantford): What is the purpose of the bill?

Hon. Mr. Thorvaldson: The bill seeks the incorporation of a life assurance company under the name of Allstate Life Insurance Company.

Hon. Mr. Croll: I would prefer to have the matter stand. I am interested in the bill.

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

Motion agreed to.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-306, for the relief of Georgiana Brasseur.

Bill SD-307, for the relief of Jean Ilene Buckley.

Bill SD-308, for the relief of Cecile Caille.

Bill SD-309, for the relief of Therese Beaudoin.

Bill SD-310, for the relief of Kenneth James Graham Tait.

Bill SD-311, for the relief of Gwendolyn Grace Lanctot.

Bill SD-312, for the relief of Marie Jacqueline Dusablon.

Bill SD-313, for the relief of Jean Eileen Leath.

Bill SD-314, for the relief of Helen Oulton.

Bill SD-315, for the relief of Lucien DeCoeur.

Bill SD-316, for the relief of Donald Beakes.

Bill SD-317, for the relief of John Matthew Hardman Pickford.

Bill SD-318, for the relief of Lloyd Carlton Willard.

Bill SD-319, for the relief of Joseph Paul Alderic Belisle.

Bill SD-320, for the relief of Frances Sheila Madden.

Bill SD-321, for the relief of Aurea Pothier.

Bill SD-322, for the relief of Stella Eileen Menahem.

Bill SD-323, for the relief of Joseph Luc Roger Pelletier.

Bill SD-324, for the relief of Collin Mills Campbell.

Bill SD-325, for the relief of Louisa Emily Elizabeth Porter.

Bill SD-326, for the relief of Evelyne Millette.

Bill SD-327, for the relief of Gabriel Fortin.

Bill SD-328, for the relief of Leo Rene Maranda.

Bill SD-329, for the relief of Christina Aube.

Bill SD-330, for the relief of Teresa Lesiuk.

Bill SD-331, for the relief of Jacqueline Elfstrom.

Bill SD-332, for the relief of Claude Gerard Montpetit.

Bill SD-333, for the relief of Ellen Smolar.

Bill SD-334, for the relief of Marie Antoinette Germaine Mouton.

Bill SD-335, for the relief of Francis John Nobbs.

Bill SD-336, for the relief of Marie Henriette Antoinette Marguerite Bloodworth Pringle.

Bill SD-337, for the relief of Molly Krakower.

Bill SD-338, for the relief of Anita Marie Virginie Leroux.

Bill SD-339, for the relief of Betty Naimovitch, otherwise known as Betty Naimo.

Bill SD-340, for the relief of Barbara Joan Sonia Lowther.

Bill SD-341, for the relief of Judith Joy Spector.

Bill SD-342, for the relief of Claude Lefebvre.

Bill SD-343, for the relief of Margaret Kathleen Lister.

Bill SD-344, for the relief of Arthur Bruce Hann.

Bill SD-345, for the relief of Leonard Greenfield.

Bill SD-346, for the relief of Anita Klaiman.

Bills read first time.

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

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

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, November 1, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. W. Rupert Davies: Honourable senators, before discussing briefly two or three items contained in the Speech from the Throne, I should like to congratulate His Honour the Speaker, and also the new Leader of the Government in the Senate (Hon. Mr. Brooks) on their respective appointments.

I also wish to say how much we all appreciated the friendly and fair way in which the former Leader of the Government, the honourable senator from Rosetown (Hon. Mr. Aseltine), led the Government side of the house and presented Government business.

May I also add my word of welcome to all the new senators. I hope they enjoy the work of the Senate. I feel I must say a special word of welcome to my old friend and newspaper colleague from Carleton (Hon. Mr. O'Leary). I am sorry he is not here this evening. His brilliant maiden speech, delivered three weeks ago, thrilled us all. Indeed, he has already indicated that he is going to be a most valuable addition to the debating strength of the Government side of this chamber.

The mover (Hon. Mr. Haig) and the seconder (Hon. Mr. Fournier, Madawaska-Restigouche), and the new senator from Gormley (Hon. Mr. McCutcheon), have likewise given us a most favourable glimpse of their talents. They, too, are all excellent appointments, reinforcing those of whose good qualities we have already been made aware.

I congratulate the new members on their maiden speeches and I hope we shall hear from them often in days to come.

Although I was unable to be present in the Senate at the opening of the session when tributes were paid to senators who had passed away since we last met, I should like

to express my regret at their untimely deaths. We shall miss them. Senator Brunt from Hanover, who was Deputy Leader of the Government, and whose cheerful and friendly ways endeared him to us all will, I feel, be particularly missed. As I was in Britain when I read of his death, I wrote a tribute to him and sent it to Sir William Haley, editor of the London *Times*, who very kindly published it.

Honourable senators, I shall be as brief as I can in discussing the Speech from the Throne. I did not hear it delivered, but I have read it through carefully a couple of times, and would like to say a few words about several matters referred to in it. I shall not deal with the main parts of the speech; they have been analysed by abler speakers than I.

We have been told the Throne Speech indicates that the country is in very good shape financially and is improving. We have also been told that there is something seriously wrong with the country. All I want to say is that I do hope all the plans that have been laid for developing the country will not lead to an increase in taxes. As the senator from Banff (Hon. Mr. Cameron) stated, we are a country of only 18 million people and there is a limit to what money we can raise and spend.

We have become a welfare state and we are now beginning to realize how costly it is to make all these worthwhile contributions to comfortable living. This year we shall probably spend a total of about $7 billion. We find it hard to believe that before the war of 1939-45 we were budgeting each year for something less than half a billion dollars.

I am glad to see that the Government expects the committee which is looking into the matter of unemployment insurance to report this autumn. I hope the report will recommend making this insurance scheme less of a burden on the taxpayer than it is today.

I have previously expressed myself, when a Liberal Government was in power, on the matter of old age pensions and I do not want to labour that question now. I do feel, however, that until the old age pension is entirely contributory and not dependent on a tax on corporate and private incomes, there should be some means test for such pensions and persons with incomes over a stated amount should not be entitled to them.

I see by the Speech from the Throne that the Government intends to invite the provinces to a conference with a view to looking into the matter of changing our national flag. Many of you will remember that some years ago the late Right Honourable Mackenzie King set up a joint committee of the Senate and the House of Commons with the same object in view. I was a member of that committee, and I recall that the honourable senator from Ottawa (Hon. Mr. Lambert) was the joint chairman for the Senate. I have very vivid recollections of our hearings. One group led by the late J. R. MacNicol of Toronto would not agree to a flag which did not have the Union Jack on it; another group would not have the Union Jack on Canada's national flag at any price. There was no compromise and eventually the committee was disbanded without reaching any useful conclusion.

During the sittings members of the committee were flooded with hundreds of designs. School children, whose teachers evidently had some views on the matter, sent us letters by the dozens submitting designs which in many cases were quite ridiculous.

Personally, I do not see anything wrong with the Canadian Red Ensign, and I am sure there are several million Canadians who are equally content with it. But the Red Ensign does not please everyone. Every so often one reads a letter in the press condemning the Red Ensign as a national flag.

My own opinion is that we should have a national flag representative of the two great races of this country, the English and the French. I should like to see a flag which embraces both the Union Jack and the Fleur-de-lis. Those of British and French descent make up about two-thirds of the population of Canada, and they have contributed the major share to our development. Therefore, I feel that it is quite right that both should be represented in our national flag. But I see no object in adopting a flag which recognizes neither. At the same time, when we are dealing with this matter of a flag I wonder why we cannot make it possible for Canada to have a national flag representing the English and French domination of the country, and also let each province have its own flag for use within Canada. I understand that Nova Scotia has a flag of its own. Why then should not each province have its own flag? It seems to me that would please a great many people and would give each province a new distinction.

There is nothing new in this idea. The Union Jack is the flag of Britain, but the Welsh, as you know, are strange people and as a part of Britain's population have their own flag and national anthem. At my summer place in Wales I have two flag poles. While we are in residence we fly two flags: the longer pole, the Canadian Red Ensign, and on the shorter one, the Red Dragon of Wales. As the main feature of its design, the Welsh flag

has the Red Dragon that we see on the ceiling of this chamber. Then, too, the Welsh have their own national anthem. "God Save the Queen" is the British national anthem, but "Hen Wlad Fy Nhadau" is that of the Welsh. For the benefit of those who do not understand Welsh, that means "Land of My Fathers."

Why, then, cannot the Canadian provinces have their own national anthem if they wish? I hope the meeting of the provinces will arrive at a decision which will please all the people of Canada.

Honourable senators, I want to say a word about Canada Council grants. I was very much interested in some of the matters touched on by the honourable senator from Banff (Hon. Mr. Cameron). In connection with the Canada Council grants he told us that some 500 Canadian students are entitled to grants each year. I am wondering whether there are any restrictions connected with them. I think they make a valuable contribution to the education of our university students. However, I am wondering, whether, when a student finishes a course which a grant has made possible, he has to stay in Canada for a certain length of time or, if he so desires, can he go immediately to the United States and take a position in that country. As far as I know he is quite free to do so. I do feel, however, that when a student benefits from a Canada Council grant, he or she should give some of his time and ability to this country before leaving us. It seems only reasonable to me that these grants which are put up by the Canadian taxpayers should result in some benefit to Canada.

Honourable senators, I was glad to see in the Speech from the Throne that a royal commission has been established to review the whole field of federal taxation and its impact on the Canadian economy, and to recommend reforms and improvements. As I said a few minutes ago, we have gone heavily into what is called social security. Social security costs money, and I hope the royal commission referred to will study the situation carefully and decide how far we can safely go. Today in Ontario the tax rate applied to companies is 52 per cent. The federal tax is 47 per cent of profits after the first $35,000 and up to that amount it is 18 per cent. Added to that is a 3 per cent contribution towards the old age pension fund. The provincial profits tax is 11 per cent, but of that 9 per cent is rebated, leaving 2 per cent. However, when you add the three taxes together it means that of the profits an Ontario company makes the federal and the provincial governments take away 52 per cent. Frankly it is too high. I do not know much about big companies, but I do know that when the Government takes 52 per cent of the profits of a small company, it is very hard for that company to set aside much in a reserve fund for contingencies after a dividend, even a small one, has been paid to shareholders.

We are advised in the Throne Speech that restraint is necessary with regard to controllable spending. But a few lines further on there is the reference to the ensuring of the expansion of Canada's economy. Well, I can assure honourable senators that I am speaking from experience when I say that after meeting the heavy taxation in force today it is not easy to find money for expansion.

Now a word about newspapers. I listened with attentive interest to the eloquent speech made a few weeks ago by the new senator for Carleton (Hon. Mr. O'Leary). It was full of strong points and delivered with the senator's usual force and persuasiveness. I do not fully concur with his views about partisanship. The senator regretted that today we do not have the strong partisan editorials in our newspapers that we had in days gone by. He says that about 90 of the 100 or so daily newspapers in Canada today "have no opinions at all, and are afraid to stand up and be counted." I do not agree with this view. Many of our papers deal strongly with many subjects, local and otherwise, but, admittedly, they are not strongly partisan politically day by day. There are reasons for this attitude. Is it not to some extent due to the fact that newspaper publishing has changed over the years and today is very costly?

The senator from Carleton has spent most of his life with a powerful partisan paper in the capital of Canada. In this city there are two strong, influential and, I assume, prosperous papers. There are not many cities in Canada today which support two daily papers. Time was when Ottawa had three dailies—two of them, if not the third, putting out both morning and evening editions. Time was, also, when Toronto had three morning papers and five evening papers. Hamilton had three; London, three; St. Catharines, three; Brantford, three, later two and now one. Woodstock, a city of 22,000 today, has one paper; when it had a population of 10,000 it had two papers, and for a time three. The small town of Ingersoll with its 5,000 people had a daily paper. Those days are gone forever. Only large cities today can support two daily papers.

The whole newspaper publishing field has changed. Everything today is very expensive. When the Government took the control off

newsprint at the end of the war it was $55 a ton; today it is $130 a ton in Kingston, and I expect it is as high, if not higher, in most cities. Fifty and even forty years ago wages were low; today they are very high. No one wants to return to those earlier conditions. But it is the high cost of publishing that has made so many cities in Canada today one-paper communities.

To come back to the regret about partisan editorials which was voiced by the honourable senator from Carleton: it is not easy, nor is it fair, when one is publishing the only paper in a city, to be strongly partisan. On a rough average, one-half of the readers are Tory and one-half Liberal. One has to remember this when writing political editorials unless one wants to be constantly offending about 50 per cent of the subscribers. However, I too have something of a nostalgia occasionally for what we might call "the good old partisan days". I could tell many stories about some of the caustic comments, and witty ones, in partisan papers in the old days.

I remember, many years ago, the lawyer who was then occupying a law office next door to that which is occupied today by the Leader of the Opposition in this chamber (Hon. Mr. Macdonald, Brantford), being referred to in one paper as a political "vulture". That was strong language even for those days, and it naturally resulted in a libel suit. Then there was the time when a printer in Toronto, who worked in the same job-printing office that I worked in at that time, decided to run for mayor on the socialist ticket. He received just under 200 votes. The man who was elected and his chief competitor both received many thousands of votes. The Toronto *Globe* came out with an editorial note the next morning to this effect: The defeat of Mr. So-and-So, the Socialist candidate, is said to be due to the over-confidence of his supporters.

The Toronto *Globe* was not always witty, however. Sometimes it was highly critical. As honourable senators will remember, in the old days the *Globe* was the Bible of the Liberal party in Ontario. Therefore, there was naturally great consternation when in the days of the Ross Government the *Globe* came out one morning and declared in a strong editorial that there were "barnacles on the ship of state".

One of the brightest editorial cross-fires that I remember took place one day when the Liberal paper in an Ontario city requested "our esteemed Conservative contemporary" to stop writing "idiot-Tory-als". The next day the Conservative paper came back with a bright retort. The editor pointed out to "our esteemed Liberal contemporary" that what it had referred to as "idiot-Tory-als" could not possibly be anything of the kind, because the minute you put the "Tory" in you knocked the "idiocy" out.

True, the editorial columns of the days gone by were often bright and witty, but it took more than bright and witty editorial notes to meet the rising costs of publishing. Eventually, two-paper cities were forced to become one-paper cities and, in the case I have just been referring to, the very witty Tory editor became the editor of an independent Liberal newspaper.

Now, a word about publicity in Britain. I should like to touch for a few minutes on a subject which has been on my mind for several months. I refer to the lack of proper publicity about the Dominion of Canada in Great Britain. We seem to get a good deal of adverse publicity, but not enough of the favourable kind. I am referring particularly to interviews given to the press by Britishers who have come to Canada and if, within a few weeks or perhaps months, they have not got their feet on some ladder which is going to lead to success and wealth, they return to their native land dissatisfied and broadcast unfavourable publicity about Canada.

We had a case of this in the month of August last year which annoyed me very much. A man returned to Britain after a short stay in this country and immediately gave to the press his unfavourable views about Canada. Half a dozen papers which I happened to see had such headings as this, "Completely Disillusioned About Canada". That man had left Britain and gone to Fort Macleod, Alberta. He did not immediately get the sort of good-paying job which he expected to find, so he packed up and left, and he tried to give Canada a bad name. He said he was reduced to cleaning windows in order to make a living.

There were two or three things which struck me about this case. In the first place Fort Macleod is a small place of about 2,000 people. It is possibly quite a nice little community, but one does not expect to find many vacant jobs in a town that size. The fact that this man did not find a job to suit him in a small Alberta town is no reason for a wholesale depreciation of Canada. Perhaps if he had tried a larger place he would have done better.

The point I wish to emphasize is that we should have a proper publicity department attached to Canada House in London, which would immediately publish a reply to such stories. A smart young Canadian reporter, properly acquainted with Canada could, I am sure, deal with these misleading stories

and minimize the damage they do to Canada. I throw out this suggestion to the Government.

I am worried about the large amount of bad publicity this country gets in Britain, and about the small amount of good publicity. I am asked occasionally to address a service club, a women's business or professional club, or some like organization, and I always say that I will address them if I am allowed to speak on Canada. If I am not allowed to do so then I do not address them. When I do speak I try to tell them something about Canada. I tell them frankly that they do not know anything about Canada. The reason I want to speak about Canada is that I was educated in the old country and I never heard the word "Canada" mentioned at school. The only way I had of knowing about Canada was through letters from relatives who were out here.

Honourable senators, I know I have spoken for too long already, but before I sit down I want to say a word or two about Britain's entering the Common Market. It is a most controversial question.

I was a delegate this past summer to a Commonwealth Press Union Conference in London, at which there were about 100 delegates, half of them from Britain and the remainder from various countries of the Commonwealth. One afternoon was given up to a discussion of the Common Market.

I must say that when I went over to Britain I was not too keen on Britain's entering the Common Market. I wondered if such a step was necessary and how it would affect Canada. The chief speaker at the Press Union discussion was Mr. Edward Heath, the Lord Privy Seal. As honourable senators know, Mr. Heath is the British minister in charge of the negotiations with the Common Market countries. We were told that the economic side of the matter was important for Britain, but that it was not by any means the most important. What was important to the British Government was that it should be able to sit down in the councils of the governments of the other western European countries, and be able to present its position politically and diplomatically instead of having to go more or less hat in hand at the door asking to be heard.

As I listened to this discussion I was reminded of a phrase once used by a late senator in this chamber. When speaking during the debate on a certain bill, the nature of which I have now forgotten, he said:

> It's better to be inside breaking up the furniture than outside kicking down the door.

That seemed to me to be the attitude Britain is taking in connection with the Common Market.

The senator from Carleton (Hon. Mr. O'Leary) was surprised at the change of front displayed by some of the British ministers at the Conservative Convention at Llandudno a few weeks ago. It did not surprise me. It is the Welsh air. There is no telling what it will do to a fellow. If I let my imagination run riot I can imagine what could have happened to the British Prime Minister when he went down to Llandudno. I can see him, on the morning of the big discussion on the Common Market, walking along the esplanade of this beautiful Welsh seaside resort. He breathes the invigorating air blowing off the bay, he sees ahead of him the Great Orme and away to his right the Snowdonian mountains, and he is very thrilled. As he strolls along he is recognized by some of the Welsh people who are also out taking the air, and they give him the Welsh greeting: 'Sut ydachchi heddiw; sut ydachchi heddiw". This makes him feel very cheery, and he smiles.

Possibly he meets one of his pals, like Rab Butler or Mr. Maudling, or possibly Mr. Joseph, the Minister for Welsh Affairs—I do not know, of course, I am visualizing all this —and they go into a pub and have a drop of Welsh home-brewed ale. There he is greeted with a hearty "Iechyd da bob bun", which pleases him.

When Mr. Macmillan left London, he was feeling depressed and downhearted because he had been living in that depressed atmosphere of London; he had been hearing doubts and fears about Britain's entering the Common Market and was upset about the whole matter. However, after he had walked along the esplanade at Llandudno and had a drop of Welsh home-brewed ale, he came out of the pub full of bounce. I can see him throwing out his chest and saying to himself: "This is the old stamping ground of Lloyd George. This is where he used to roll them in the aisles. This is also the place where Jo Grimond a couple of weeks ago delivered the greatest speech of his career at the Liberal convention. Well, anything Lloyd George could do, and anything that Jo Grimond can do, I can do better". With that he went back to his hotel, and eventually to the Conservative convention where he made his thrilling speech on the Common Market which swung all but 47 to his way of thinking. I think that is probably what happened.

Leaving Mr. Macmillan for a moment, and speaking seriously, after listening to the discussion at the Press Union Conference I felt that the thing for Britain to do is to enter

the Common Market if she can make satisfactory arrangements. I find no fault at all with our Prime Minister's attitude at the Prime Ministers' Conference. He was there to put forward the Canadian position, and I think he did it very well. The arguments of the Prime Ministers of Canada, Australia and New Zealand were carefully listened to, and noted. I feel sure that at Brussels both Mr. Macmillan and Mr. Heath will try to get the best terms they can for the Commonwealth countries and that they will do their best to protect Commonwealth interests. However, I do not think we should complain too loudly if we have to make some sacrifices in order to enable Britain to get in on the ground floor. It is interesting to read what Mr. R. A. Butler, the British Secretary of State, had to say at the Conservative convention. These are his words, as reported in the Toronto *Star* on October 13:

> If we are to do our duty by the Commonwealth, if we are to pay our defence bills, if we are to export more capital to the Commonwealth, if we are to help underdeveloped countries, if we are to balance our overseas payments and finally, if we are to raise our standard of living, we must have a wider home market for our modern and complex exports. That is the absolutely vital economic reason for going forward with this.

Then, on October 12, the Toronto *Globe and Mail* published an editorial headed: "Mandate for Mr. Macmillan", in which this paragraph appeared:

> The Commonwealth Governments, should, therefore, abandon negative criticisms of British policies which achieve nothing and place an unnecessary strain on Commonwealth relations. Instead they should work constructively to assist Britain to obtain the best terms available at Brussels.

Since the passage of the Statute of Westminster all members of the Commonwealth are autonomous nations and we, like the other countries, prefer to make our own decisions on matters affecting Canada. I think, therefore, we should be willing to let Britain do the same. Let us hope that Britain's decision will be the right one, and one that will prove valuable to us all.

Honourable senators, I thank you very much for your patient hearing.

On motion of Hon. Mrs. Quart, debate adjourned.

27511-5—14

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 349 to 378, which were presented Thursday, November 1.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

SONS OF FREEDOM DOUKHOBORS IN CANADA

MOTION TO APPOINT SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, October 31, the debate on the motion of Hon. Mr. Croll:

> That a Special Committee of the Senate be appointed to inquire into and report upon the continuing problems presented by the Sons of Freedom Doukhobors in Canada and any problems related thereto;
>
> That this said committee be composed of twenty honourable senators to be named later;
>
> That the committee be empowered to send for persons, papers and records; and
>
> That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

Hon. Arthur W. Roebuck: Honourable senators, on a substantive motion such as this, a speaker is not allowed as much latitude as he is on the subject which has just been under discussion by the honourable senator from Kingston (Hon. Mr. Davies).

Perhaps His Honour and my fellow members will permit me to join with the honourable senator from Kingston in the welcome which he extended to the new senators, and to say how glad we are to see new members of the Senate. May I express the hope that they enjoy their stay—and may it be long—in this chamber, taking part in the activities in which we all engage, and that they find as great satisfaction in being a member of this body as I have during the past seventeen years.

Honourable senators, I now address myself to the motion by the honourable senator from Toronto-Spadina (Hon. Mr. Croll). At this point perhaps I may be allowed to reminisce a little. Many years ago I had a very well known Jewish friend by the name of Joseph Fels. Honourable senators will probably remember him as the producer of Fels Naphtha. Mr. Fels was a very fine fellow, a wonderful chap, a great philanthropist and, above all, a great humanitarian. Many years ago

I heard him remark that the mission of the Jews was to teach Christianity to the Christians.

In this chamber, with one single exception, we are all Christians—nominally at least. Perhaps to some degree we are all Christians, and I submit that we had a magnificent lesson in Christianity when the honourable senator from Toronto-Spadina (Hon. Mr. Croll) moved his resolution to establish a special committee to inquire into and report on the continuing problems of the Sons of Freedom Doukhobors. That lesson was reinforced and enlarged by the kindly and truly Christian address which he delivered to us in support of that motion.

For sixty years a small section of the Doukhobor immigrants who came to Canada as long ago as that has harassed and frustrated the Canadian authorities. While the great bulk of Doukhobors have behaved themselves in a law-abiding manner, that small minority have refused to obey our laws and have marked their protests against fancied wrongs by acts of criminal violence, such as the dynamiting of schools, bridges and electric power plant facilities; by arson, the burning of homes belonging to themselves, to their more Canadianized fellow immigrants, and to others. They have refused to assimilate with their neighbours and they have outraged the respectable portions of the community by parading in the nude. It was for a group of people such as this that the honourable senator from Toronto-Spadina moved his resolution, to benefit these people who have troubled Canada for more than half a century.

It was for them and for ourselves, for the people of British Columbia and to some extent for the people of Saskatchewan, that he made his eloquent plea. In words which, I humbly submit, might have been used by the founder of Christianity himself under similar circumstances, he asked us to extend the hand of friendship, with a sympathetic understanding; to turn the other cheek, as it were, and with a fourfold forgiveness to proceed to rescue these "Peck's bad boys" from self-imposed disaster.

The honourable senator from Toronto-Spadina gently suggested that we too may bear some responsibility—a small and undefined responsibility, it is true—by our own neglect for the one thousand men, women and children who are now bogged down beside the road to Agassiz, after a trek of 300 miles.

Honourable senators, notwithstanding the facts, which I have recited as forcibly as I can, you must know that I agree with him, for I have seconded his motion. And why not?

I am reminded of the words attributed to Edward Wallis Hoch, sometime Governor of the State of Kansas, and the owner of the *Marion Record*, a newspaper of that state.

The words are as follows:

> There is so much good in the worst of us,
> And so much bad in the best of us,
> That it hardly becomes any of us
> To talk about the rest of us.

I will go along with the senator from Toronto-Spadina on the principle that, while the light hangs out to burn, the vilest sinner may return; and I would like to open the door, if only just a crack, for the sinner to return. I do not agree with the statement which has been made that an act of Christian kindness on our part in an attempt to bring about better conditions will offend the law-abiding portion of the Doukhobor community. I think it is much more likely that these people, who perhaps individually have suffered from the lawlessness of the Sons of Freedom, will hope, perhaps somewhat hopelessly, that we succeed.

I am not one to pass over the difficulties or to shut my eyes to them; you and I, of course, must recognize that there are difficulties to be encountered. The first difficulty that comes to my mind is the Doukhobors' lack of responsible and effective leadership, and so it may be difficult, if we nominate a committee such as is proposed, to arrange the proceedings, to conduct negotiations, and finally to achieve some communal understanding. That difficulty may not be insurmountable, but certainly it is something that we should recognize in advance, and not try to close our eyes to it.

The next difficulty that occurs to me is that these present martyrs, who are in such a bad way on the road from Krestova to Agassiz, have burned and destroyed their own homes behind them and now have nowhere to go where they may resume a normal form of living with lessened tension and, I would hope, with better intentions. What is to be done with them? I am frank to confess that I do not know what is to be done with them, but I do know that neither the people of British Columbia nor we as senior statesmen of this great country can stand idly by while these people die like flies in the course of a hard Canadian winter.

The third difficulty is an economic one. I do not pose as having any special knowledge about the Doukhobors and their community, or even their lawlessness. I have done my best to read and inform myself on the subject, and I have gone through a magnificent report, produced ten years ago, by the University of British Columbia, which gives one some understanding of these people, but I am not posing at all as an expert in this matter.

However, it does come to me that a possible explanation of the remarkable conduct of these people is in the economic phase of their existence.

When the Doukhobors came to Canada some sixty years ago they formed co-operatives for the cultivation of the land which we gave them. Their industry was entirely agriculture, but unfortunately these communistic communities have not been successful; they have failed, and failed with a good deal of bitterness. Some of these people have been left rather high and dry. Those of the Sons of Freedom who have not established their own homes on their own farms now work for wages; and as honourable senators are aware, employment during these last few years has been seriously depressed. The Sons of Freedom who are now in jail at Agassiz, and those on the highway leading to that place from Krestova, have given up farming almost entirely. I am credibly informed that in Krestova there is not sufficient land around their homes to make a family garden. Those who farm their own land, of course, are respected members of the community. Those who are otherwise employed are liked by their employers, who find them quiet and docile, obedient and industrious. However, their employment has been adversely affected, and very much so during the current depression.

I am not pronouncing a possible solution, but is it not possible that the basic cause of the trouble among these people is their poverty? Might it not be that disastrous economic conditions are the basic cause of the discontent of the Sons of Freedom?

Mr. Choquette: How many are they, all told?

Hon. Mr. Roebuck: By the widest count, about 2,000; about 1,300 are bogged down on the road. In all, there are approximately 20,000 Doukhobors, perhaps more.

Hon. Mr. Drouin: Basically, what do they want?

Hon. Mr. Roebuck: That is what we are here to find out. I do not know. I may be wrong in my assumption with regard to economic conditions.

Hon. Mr. Horner: You are absolutely wrong.

Hon. Mr. Roebuck: Well, perhaps so. The honourable senator from Blaine Lake (Hon. Mr. Horner) knows a certain portion of them, and he spoke about that portion. He made a plea for the self-respecting, the law-abiding, settled Doukhobors of this country. With his plea I entirely agree; but I am talking about the landless men and women, families who have no place in the sun, and who are on the road to Agassiz—a very different people from the well-to-do farmers for whom the honourable senator spoke.

Hon. Mr. Reid: They walked away from their own properties.

Hon. Mr. Roebuck: I am not saying that they did not. I said a self-imposed disaster.

Hon. Mr. Reid: Nobody chased them out.

Hon. Mr. Roebuck: No; but my friend should just listen to me, rather than make his speech over again.

Hon. M. Reid: Well, I know something about them.

Hon. Mr. Roebuck: Yes, and you told us that. I have the floor at the moment.

Hon. Mr. Reid: This is all theory.

Hon. Mr. Roebuck: Well, good theory is good logic, my friend.

Hon. Mr. Brooks: A good start.

Hon. Mr. Roebuck: Yes, a good start, and that is all that we propose at the moment. My friend himself says he does not know what to do with the Doukhobors, and I agree with him on that.

Honourable senators, I was endeavouring to say that I may be wrong in attributing the discontent of these people and evil deeds of some of them to economic causes, but that question is what this resolution is designed to solve. That is why Senator Croll moved this resolution, that we may make an effort to find the answer.

A further difficulty that must be recognized is that the mischief is of long standing. Others have tried and have failed. But for the most part it has been the police mind that has been trying, not such men and women who made this university inquiry some ten years ago. Their only authority was to inquire. They made recommendations which, like most reports of bodies of that kind, went into a pigeon hole. Still others have tried and have failed, but I would like to point out that a Senate committee has not yet even tried. I do not concede that Senator Croll, if his proposed committee is established, will fail. He may, but I am not conceding that for one moment, because I would point out that few if any can assess the power of kindness. If you want to defeat an enemy—and that is what is proposed—the way to accomplish it is to make of him a friend.

That these Sons of Freedom are not impervious to acts of kindness would appear from a dispatch from Hope, a little town near which these Sons of Freedom are now encamped. It was a dispatch to the Toronto

Globe and Mail of October 29, last Monday. I would like to read a few lines from it.

> Sons of Freedom Doukhobors paraded on the main street of Hope today, singing hymns and praising the village residents...
>
> Mrs. Fanny Storgoff, who speaks for the sect here, wept tears of gratitude during the parade. She said the march demonstrated the Freedomites' thanks to "the good people of Hope for the kind manner the Doukhobors have been accepted and treated."
>
> She said that during the last week's crisis in Cuba the Freedomites had prayed for delivery of the people of Hope from atomic bombs and warfare.

So you see that these people are not devoid of response to acts of kindness. Perhaps we would gain more in a committee such as we now propose than the police have gained in putting large numbers of them in jail.

I would like to impress upon you that were we to discover the root causes of the Sons of Freedom discontent and reconcile these people with their neighbours, we would confer a blessing, to say the very least, on that disconsolate and homeless band of pilgrims who are now on the road to Agassiz, and it could be that these good people who responded to the kindness of the people of Hope might even include the honourable Senator Croll among those for whom they pray.

Were the committee to fail I submit we would lose little. My honourable friend from New Westminster (Hon. Mr. Reid) was chairman of a special committee of the Senate which inquired into the traffic in narcotic drugs in Canada. The resolution to set up that committee, moved in 1955, was a resolution of the same character as that now under discussion. It was with regard to down-and-outs on the road to the grave by indulgence in narcotics. I would like to recall to the minds of honourable senators the great success which the honourable member from New Westminster (Hon. Mr. Reid) made out of that seemingly hopeless endeavour.

I would also point out that the amendments to the Opium and Narcotic Drug Act which were made following the report of the committee embodied most of the recommendations made by the committee. I would further remind you that when that hopeless cause was dealt with here and the committee was appointed under the chairmanship of the gentleman from New Westminster I voted for the proposal, wished him well, and started him on his way, and I rejoiced with him when he returned with certain things accomplished.

I say that if we were to fail in this endeavour, we would lose little. We would at least have made an effort and surely, honourable senators, we in this chamber have the courage at least to proffer assistance. Should we succeed we will have conferred a blessing in the first instance on the Sons of Freedom, but also we will have conferred a great blessing on the people of Canada at large and I should think that the people of British Columbia would say it with flowers.

Hon. Mr. Reid: They sure would.

Hon. Mr. Roebuck: Of course they would, and they would welcome our effort.

Hon. Mr. Horner: British Columbia has asked for no such thing.

Hon. Mr. Roebuck: Maybe they had a conference with you before they decided not to ask. They have said nothing to me with regard to the matter and certainly expressed no opposition to an effort on our part.

The honourable senator from Lumsden (Hon. Mr. Pearson) said that we would cause friction by inquiring into the lives of the Doukhobors. He said the Doukhobors in Saskatchewan are excellent farmers, as sound a class of people as we have in Canada and as thoroughgoing Canadians as any of the groups that have come to this country from Europe. Well, I agree with every word he said in that regard, but who has suggested that we make an inquiry into the private lives of anybody, the Doukhobors in general, or even the Sons of Freedom in particular? Senator Croll has suggested nothing of the kind. I read in part the resolution that he moved:

> —that a Special Committee of the Senate be appointed to inquire into and report upon the continuing problems presented by the Sons of Freedom...

Not the Doukhobors generally, and not to inquire into their private lives, but rather to inquire into the problem of the lawlessness of the Freedomites.

Hon. Mr. Pearson: Did not Senator Croll in his statement to the Senate propose an inquiry into the Doukhobors, as well as the Sons of Freedom?

Hon. Mr. Roebuck: I think my honourable friend is wrong there. Senator Croll talked all the way through about the Sons of Freedom, not the law-abiding Doukhobors, and if he spoke on something that was outside the scope of his motion he was out of order.

Hon. Mr. Macdonald (Brantford): He is bound by the terms of the resolution.

Hon. Mr. Roebuck: He stands by the resolution, but whether he does or does not, I do. I am advocating this resolution, not the speech made by anyone. It is the resolution that is before us, and it talks about inquiring

into "the continuing problems presented by the Sons of Freedom Doukhobors". I say that none of us is suggesting inquiring into the life of anyone. We are suggesting an inquiry into the problems of these people, and I suppose no one here will suggest—

Hon. Mr. Horner: Might I ask a question?

Hon. Mr. Roebuck: No, you make your speech after I am through.

Hon. Mr. Horner: I would like to ask you a question.

Hon. Mr. Roebuck: Well, go ahead.

Hon. Mr. Horner: I would like to ask you how you inquire into their problems without inquiring into their lives?

Hon. Mr. Roebuck: To the extent which the problem involves their lives we will inquire into that problem, and I am not at all afraid of inquiring into a problem that involves human beings. This is a human problem, it is true, but when you talk about inquiring into the private lives of people that is quite another matter. We want to know why these people did certain things. Is that inquiring into their lives? If it is, all right—it is their public life, that is true. However, that is not inquiring into their lives, how they live, or how they treat their wives—whether they have stopped beating their wives—or something of that kind. When we talk about inquiring into their actions as citizens of this country, or rather their refusal to be citizens of this country, and their dynamiting of public and private works, that is not inquiring into their lives. We have put some of them on trial on many occasions. If we send them to jail, is that a matter of inquiring into their lives?

Honourable senators, I suppose that no one in this chamber will suggest that there is no problem when over a thousand men, women and children, people of all ages and of both sexes, are camped beside the road, living in tents in the face of the oncoming winter. Will anyone say that is not a problem? I heard a trekker, one of the Sons of Freedom, on television not very long since, say that the children were ill as a result of the dampness and cold in which they were living. I was not surprised. I can assure you, my friends, there is a problem if these children die like flies in the cold of this coming winter. I think the people of British Columbia will be more kindly disposed towards them than some of us. Certainly, the good people of Hope have demonstrated kindness, and in all probability they will do something even if we do nothing.

Hon. Mr. Monette: May I put a question to the honourable senator, without offence?

Hon. Mr. Roebuck: I am sure there will be no offence intended, but I do not like a continuous running commentary when I am speaking.

Hon. Mr. Monette: I have a question as to whether the remarks of the honourable senator from Toronto-Spadina (Hon. Mr. Croll) were limited to the Sons of Freedom or extended further. This is what he said in his speech, as appears at page 57 of *Hansard*—

Hon. Mr. Roebuck: This is not a question.

Hon. Mr. Monette: No, but the resolution may extend beyond the Sons of Freedom Doukhobors. If my question disturbs you, I shall not proceed.

Hon. Mr. Roebuck: No, it does not disturb me.

Hon. Mr. Monette: The honourable senator from Toronto-Spadina said:

> Honourable senators, in the motion I have put before you I have deliberately focussed attention on the Sons of Freedom, the most radical sect among the Doukhobors, but I have not limited the investigation to the Sons of Freedom. On the contrary, the investigation extends to "any problem related thereto".

Is that something that may lead to a consideration of more extensive matters, or does it limit your remarks to the Sons of Freedom?

Hon. Mr. Roebuck: In the first place, I am not responsible for what the honourable senator from Toronto-Spadina said in his speech; I am making my own speech. In the second place, the honourable senator from Toronto-Spadina, according to the very words you have just quoted, referred to problems of the Sons of Freedom or any problem related thereto. "Any problem related thereto" refers to the problems of the Sons of Freedom. It might refer to the loss of their lives and their economic conditions. It might refer to the oppression they claim to have suffered, and many other things. But this is all directed to the problem of the Sons of Freedom. That is what we wish to inquire into, and as I understand the honourable senator from Toronto-Spadina, that is what he proposes, and not a general inquiry into the lives of the Doukhobors or any other citizens.

Honourable senators, I was about to say that the honourable senator from Lumsden (Hon. Mr. Pearson) asked this question: Are we to set ourselves up as a group of citizens superior to our neighbours? Well, I hope not. I do not suppose anyone would ever accuse him or me of being high-hat; we are not

superior to anyone. As I have often said, I am equal to any and superior to none. On the other hand, let us not forget that we here are members of the senior legislative and consultative parliamentary assembly in Canada. Do not forget our status, and do not forget that the welfare of our fellow citizens is our chief concern and responsibility. Do not forget that the solution of our people's problems is the very purpose of our existence here. Let us not talk about being superior when we try to perform the functions for which we were appointed and for which we are paid as senators. I submit to you that were this chamber to accept some of the advice we have received from various quarters, we would bear a close resemblance to that well-known character in the ancient parable who passed by on the other side.

The honourable senator from Lumsden says that he knows well and very highly commends the Doukhobors of Saskatchewan. But, honourable senators, we are not inquiring into the problems of the Doukhobors of Saskatchewan: we are inquiring into the problems of the Sons of Freedom, and they do not live in Saskatchewan. They are in British Columbia, many miles from where the honourable senator resides. He says the Doukhobors are good, sound farmers, thoroughly Canadian and law-abiding citizens. Well, that is fine. I do not dispute one word of that assertion. But what has this resolution to do with them? They have no problems. I wonder would my friend present the same bouquet of white roses to the sixty-three Sons of Freedom who are in jail at Agassiz, or indeed to that forlorn group of 1,300 people of all ages and of both sexes who sleep by the roadside near Hope, but with very little hope, in the province of British Columbia.

Now let me not allow myself to be misunderstood in one particular. I am not for lawlessness; I am not one to condone lawlessness and I do not do so in this speech. I have been the first law enforcement officer of the province of Ontario, and I know something about the problem of keeping the peace, protecting the innocent, and punishing the guilty. I do not look lightly upon arson, or the bombing of schools, or the dynamiting of bridges, or the burning of homes.

I would call attention to the fact that society has two ways of dealing with malefactors of this kind or, rather shall I say, with offences of this kind. The first of these is prevention. That is by acting before the crime is committed and before the damage has been done. The second means is by punishment after guilt has been established, after the innocent have been injured or property has been destroyed. Those are the two methods that are employed in situations of lawlessness such as this. The preventive measures are the most difficult to accomplish successfully, but when accomplished they are inestimably more effective than those of punishment after guilt has been established, if it can be established. It is the preventive solution that the honourable senator from Toronto-Spadina is seeking in asking for this inquiry.

I am as outraged as is the member from New Westminster (Hon. Mr. Reid) at the crimes attributed to the Sons of Freedom, but I do not join with him in his denunciation of them, simply because a recital of their accusations does not tend to a prevention of their repetition.

Hon. Mr. Reid: They could not be prevented; the deeds were done at night.

Hon. Mr. Roebuck: All right, you are going to vote against the resolution.

Neither do I have any criticism of the authorities who have done their duty under extremely difficult circumstances. I submit to you that the actions of the authorities in British Columbia, and probably in Saskatchewan, would compare very favourably with that of the Russians who, the honourable senator for New Westminster (Hon. Mr. Reid) says, stood the Doukhobors up in a row and shot every tenth man.

Now, my friend from New Westminster is very frank in saying that he does not know what can be done with such a group, and I am just as frank in saying neither do I. I think that is a good reason for passing this resolution. The honourable senator from Toronto-Spadina (Hon. Mr. Croll) is attempting to find out what can be done, and having found out we can perhaps do something towards ameliorating the situation and even curing it.

I would ask all honourable senators to note that everything that has been said so far by myself and others in criticism of the Sons of Freedom supports the contention of Senator Croll that something should be done. The honourable senator from New Westminster (Hon. Mr. Reid) suggested that we appoint a committee of laymen, or private citizens of some standing in the community. Perhaps it is a good idea, although I notice he did not volunteer to engage in the promotion of any such suggestion. I think he should renew that proposal to the Senate committee, if such there be, at its first meeting, and let us consider that as one of the means of proceeding.

Let me read a statement that appeared in the Ottawa *Citizen* of October 13, 1962.

> Senator David Croll's motion proposing that a Senate committee study the Doukhobor problem deserves a favourable response. . . .
>
> A Senate inquiry might illuminate the problem sufficiently to make a solution possible. What do the Freedomites want that brings them into conflict with society? Why do they employ unlawful means to protest against their grievances when the law is elastic enough to embrace many legal methods of protest without resort to violence? Why do they deliberately and zealously seek martyrdom? In short, what's bothering them?
>
> Only by entering into the minds and hearts of the Freedomites can answers to these questions be found. The Senate is eminently suited to try to find the answers. Its members have no axe to grind, and many senators have wide experience in human affairs. A study of this kind would be profitable to Canada.

That is a considered opinion by a very responsible newspaper.

Now, honourable senators, I appeal to everyone in this chamber not to stand in the way of a humanitarian effort of this kind proposed by the senator from Toronto-Spadina. I have no knowledge whatsoever as to how he will approach the solution of the problem, but I do know that he is prepared to assume the labour and responsibility of such an inquiry, and from a quarter of a century of intimate association with him I can say this, having in mind his character and his outstanding ability, that if he cannot succeed nobody can. For that reason I say let us join in forgetting, if we can, the tragic and unhappy past of this strange, little understood and troublesome people, but let us not forget the thousand men, women and children who have trekked 300 miles towards Agassiz, and who are now in their mad mission bogged down and facing the rigours of the coming winter. Let us not forget what may possibly occur during these winter months when they face death from exposure and privation. Let us also not forget the welfare of the community in which these people dwell. Something must be done to bring this unhappy era to a close.

This, honourable senators, may be the very moment to strike with what I have called the most potent of all weapons, namely, that of understanding, sympathy and kindness. This may be the very time to do this because these people have been in the open now for weeks and certainly are in a sad condition. This may be the time to strike, and I submit to you that the man to head an effort of this kind is the person who, with your consent, very recently undertook to do it. That man is Senator Croll. I suggest, honourable senators, that we all vote for this measure and let us see what he can accomplish.

Hon. Mr. Drouin: Would not all of these people be frozen stiff by the time this committee made its report?

Hon. Mr. Roebuck: Perhaps we are even now too late, but that is no reason why we should not act.

On motion of Hon. Mr. Croll, for Hon. Mr. Cameron, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 7, 1962

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

Prayers.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-347, for the relief of Fany Rubenstein.

Bill SD-348, for the relief of Marylin Jean Alie.

Bill SD-349, for the relief of Gertraud Holzer.

Bill SD-350, for the relief of Karl Heinz Schulte.

Bill SD-351, for the relief of Shirley Millar Neal.

Bill SD-352, for the relief of Wilma Karls.

Bill SD-353, for the relief of Philip Dalgleish.

Bill SD-354, for the relief of Marie-Paule Jacqueline Lorette Champagne.

Bill SD-355, for the relief of George Cecil Horton.

Bill SD-356, for the relief of Anne Marion Prentice.

Bill SD-357, for the relief of Ezreh Harry Herscovitch.

Bill SD-358, for the relief of Ella Jane Lyon.

Bill SD-359, for the relief of Olga Rapoport.

Bill SD-360, for the relief of Susan Gabor.

Bill SD-361, for the relief of Minnie Lichtenstein.

Bill SD-362, for the relief of Amira Wilson.

Bill SD-363, for the relief of Sybil Lillian Lupovich.

Bill SD-364, for the relief of John Joseph Laflamme.

Bill SD-365, for the relief of Doris Elinor Roberts.

Bill SD-366, for the relief of David Filmore Sadler.

Bill SD-367, for the relief of Patricia Hilton.

Bill SD-368, for the relief of Patricia Ann Marguerite Allaway.

Bill SD-369, for the relief of Irene Elizabeth Malloch.

Bill SD-370, for the relief of Mihaly Szakacs.

Bill SD-371, for the relief of Dorothy Alice Usher.

Bill SD-372, for the relief of John Elijah Marshalluk.

Bill SD-373, for the relief of Rhoda Lipschutz.

Bill SD-374, for the relief of Andre Durocher.

Bill SD-375, for the relief of Catherine Harper.

Bills read first time.

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

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

Motion agreed to.

PRIVATE BILL

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—REPORT OF COMMITTEE

Hon. A. K. Hugessen, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the Standing Committee on Banking and Commerce had considered Bill S-8, respecting the Trustee Board of the Presbyterian Church in Canada, and had directed that the bill be reported with the following amendment:

Page 2, line 29: After "insurance" insert "or trust".

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

Hon. Mr. Hugessen moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

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. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Josie D. Quart: Honourable senators, fully realizing that my expressions of appreciation may be a repetition, nevertheless, it is pleasantly imperative that I add my voice and congratulations to the deserving chorus of praise already extended to His

Honour the Speaker upon his appointment to preside over the debates of this chamber. May I wish him health and happiness to enjoy his new role for, I trust, many more years.

An equally pleasant task is to associate myself with my colleagues in congratulating the Government on its wise choice of the senator from Royal (Hon. Mr. Brooks) as Leader of the Government in this chamber. I would like to assure him of my loyalty, co-operation and support. If my colleagues from New Brunswick have hailed him as a native son of their picture province, I can draw personal satisfaction in that his son, daughter-in-law and three lovely grandchildren have chosen as their home the good old historic city of Quebec. It should be underlined that both of these honourable gentlemen, His Honour the Speaker and the honourable Leader of the Government are seconded, morally, socially and graciously, by two distinguished and charming ladies, Mrs. White and Mrs. Brooks.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mrs. Quart: It is extremely rewarding for the feminine element in the Senate to know that we have two such staunch friends at court, should at times we need someone to plead our cause.

To the former Speaker, the Honourable Mark Drouin, a friend of many years, I offer my thanks for having made me feel so much at home when a novice in this chamber.

My gratitude goes out as well to the former Leader of the Government, the Honourable Senator Aseltine, whose advice to refrain from biased partisanship in the Senate helped me cool down my Irish temperament and learn to smile, when some of the senators of the Opposition set a very bad example in the tempting sport of spiked partisanship. But, honourable senators, am I then, to surmise that the policy of the Opposition is, "Don't do as I do but do as I say"? Before becoming too provocative, I shall continue in a more genial mood, discretion being the better part of valour.

I should like to extend a warm welcome to our new senators. As the Honourable Senator Pouliot remarked, we not only have seven wise men, but eight—and with that I cease my reference to his remarks of that day. I am confident these eight wise men will excel in their contributions to the debates of this chamber. Those who have spoken so far have demonstrated outstanding ability, and I must confess to emotions of pleasure in hearing their vigorous appraisals of the sincere efforts of the Prime Minister and of our Government for the welfare of Canada and its people.

May I add my name to the list of those senators who, in glowing tributes, deplored the loss of several of our esteemed colleagues since the last session, and extend my deepest sympathy to the members of their families. I express my most sincere condolence to Senator Ross Macdonald in his recent bereavement, and wish him to know that the loss of such a beautiful and charming lady will be felt by all of us.

I extend a special word of appreciation to the mover of the Speech from the Throne (Hon. Mr. Haig), a worthy son of an illustrious parent. He is treading in the footsteps of his father, as was obvious by the eloquent manner in which he presented a clear, concise exposé of the excellent legislation proposed by the Government and the logical reasons for its adoption.

(Translation):

Honourable senators, I also congratulate the honourable senator from Madawaska-Restigouche (Hon. Mr. Fournier), who seconded the address in reply to the Speech from the Throne, for the magnificent way in which he discharged his responsibility. I particularly want to express my admiration for his deep understanding of the people of Quebec and the place this province fills in the Canadian Confederation. I understand and support the thoughts expressed by my colleague; they reflect views not only of a citizen of New Brunswick, not only of his neighbour in Quebec, but of a great Canadian.

I hope his contribution will mark another step toward real progress in cementing national unity throughout this country of ours.

(Text):

Honourable senators, as you know, there is a definite advantage in speaking in this debate, for one is not restricted to a discussion of any item mentioned in the Speech from the Throne. Therefore, when Senator Fournier (Madawaska-Restigouche) was expounding his views about the people of Quebec and their good common sense, I experienced a compulsion to expound mine about my native province of Quebec.

Quebec is today undergoing a quiet revolution in thought, attitude and action. As in many other places around the globe, modern technology and industrial progress are stirring the very core of a peace-loving, pastoral folk, disturbing traditions in some phases, but everywhere challenging the direction of its hitherto clear-cut ambitions.

Placed as I am, a member of the small English-speaking minority of this large French-speaking portion of Canada, may I go on record as stating that nowhere in this imperfect world of ours has justice, tolerance

and fair play flourished so grandly; nowhere across our country will you encounter a hand so far outstretched in friendship; nowhere will you meet such a sincere desire to understand and to be understood. Too often in the past this outstretched hand was met with indifference, a smug, superior attitude, which can no longer be tolerated in a shrinking world. Might over right has ultimately perished before the sword of justice and, thereupon, is recorded in history for all to see.

In a world of senseless tragedies, racial discrimination and selfish prejudice, the province of Quebec still stands as a bastion of racial, religious and social freedom, despite these rumblings of discontent and petty misunderstandings. No finer tribute can be paid to Quebec than to have a member of a minority group, as I am, bear witness to the justice and treatment afforded minorities in that province. If distant rumblings are now to be heard, could it possibly be that Quebec has softly hummed its tune of *bonne entente* to deaf ears along a one-way street? Nothing is more disheartening to human nature than to feel that your dedicated contribution to a great cause has gone unnoticed. Therein lies the crux of the matter, because Quebec and the French Canadian have contributed magnificently to the cause of true Canadianism; but, unfortunately, too often this sharing in the construction of their country has been lost in the pool of indifference by their fellow-Canadians. Too often in the past deeds of valour, courage and achievement by Quebecers have failed to make even the obituary pages in the press of her sister provinces, whereas the misdeeds of a French Canadian chauvinist or demagogue have rated headlines. And let not this lack of interest be confused with a lack of activity, for a graver error could not be committed.

In the field of progressive education Quebec stands equal to the best in this country. In the two world wars surely our Quebec regiments—notably, the fighting "Van-Doos", the Royal 22nd Regiment—had a glorious record, as did our many servicemen in the navy and air force.

In sport, one doubts what would happen to the national sport of Canada were it not for the Rocket Richards, the Jean Beliveaus and the Boom-Boom Geoffrions.

In the arts, French Canada has made many significant contributions to a national literature; and must I remind my colleagues that French Canadians are continually composing and promoting original, popular songs about Canada.

As a member of the Centennial Planning Committee for the last four or five years, I was delighted to learn that folk songs are enjoying a revival in all provinces across Canada, for these folk songs are part and parcel of our Canadian culture and, I understand, will be featured during our centennial celebrations.

I read recently that when Shakespeare wanted to express the inexpressible he put aside his pen and called for music. And who can deny the stimulating value of "Alouette, gentille Alouette, Alouette, je t'y plumerai", sung by all Canadians, with no pronunciations barred? And what about the rollicking air of "Vive la Canadienne—et ses jolis yeux doux"? Its lilting tune and words, honourable senators, are irresistible in winning favour with the ladies.

In addition to Quebec's wonderful folk songs, a flip of the TV dial in our province will convince anyone of the lively cultural climate which exists in Quebec.

In the field of the humanities, Quebec need bow to no one. In the field of industry and technology, perhaps she was a little late at the starting post because of various and complex reasons. However, now with something close to impatience she is on the move to bridge the gap, and perhaps this desperate hurry and more precisely the misunderstanding of her impatience by her sister provinces has precipitated the distant rumblings.

It has frequently been stated by politicians and others that "La Belle Province de Quebec" is not like any other province. There is nothing in that statement which should offend or surprise Canadians of other races and cultures. But rather, before condemning those who make such statements our fellow-Canadians from the other provinces would be wise to examine their consciences and recall certain basic and historical facts in the pact of Confederation of 1867, which people sometimes are too prone to forget.

The English-speaking Canadian must stop expecting his French-speaking fellow-Canadian to be an exact replica of himself. He never was to begin with, nor is it likely that he ever will be.

If the Fathers of Confederation had so wanted it, they would have designed a melting-pot type of constitution. This they did not do, and it should be faced squarely and accepted. One step further would bring us to the wonderful realization that herein lies the road to a distinctive Canadianism. One culture complements the other and the union of both is far greater than either of the components. We have so much to give to and receive from each other. English-speaking Canadians must develop enough interest to learn that the contribution of the people of Quebec to

that illusive requisite called Canadian identity could perhaps be matched in other parts of the country, but could not be surpassed.

The Fathers of Confederation were not dreamers. They wanted to create a real Canadian nation wherein two cultures, English and French, must be free to develop, each according to its own traditions and character. These historic facts were made very clear in the drafting of the act of 1867.

In mentioning the Fathers of Confederation, a Conservative cannot but take pride in the fact that Sir John A. Macdonald, Canada's first Prime Minister and founder of the Conservative Party, and Sir Georges-Étienne Cartier, were the chief builders of Confederation. Sir John A. Macdonald's dream was to build a nation from sea to sea, and he would never have become a father of his country had he not possessed a vision of Canada's possibilities for greatness.

In this respect our present Prime Minister has much in common with Sir John A. Macdonald. He also possesses a vision of Canada's future greatness. Would it not then be simple justice, and most fitting, that, as Canada's thirteenth or fourteenth Prime Minister after the next election, the Right Honourable John G. Diefenbaker be the one to play the leading role in the celebrations to mark to 100th anniversary of Canada's nationhood?

And what of bilingualism? Volumes have been written about its tangible contribution to this specific national identity. Suffice it to say that the bilingual Canadian of today, from the standpoint of pure logic, has a cultural edge on his unilingual compatriot; and anyone who refutes this, or rejects an opportunity to learn the second language, simply limits his own potential.

Common sense dictates that circumstances and geography determine the opportunity and degree of our bilingualism. However, circumstance and geography should have no bearing on a sincere good-will effort at a better understanding of our fellow Canadians. I would submit that if the hand of English-speaking Canada grasps the hand of Quebec we will together rediscover Canada, and in so doing build a truly great nation for ourselves and generations to come.

It has been well said that language is indispensable to culture, and it stands to reason that every additional language acquired stands for additional culture. It seems a fact that when people can understand and converse in each other's language a link of sympathy is established, and a verbal exchange of viewpoints frequently prevents "molehills" from becoming "mountains" of misunderstanding.

It is beyond doubt that the installation of a simultaneous translation system in the other place and here in the Senate is a great step forward, for this has removed the language barrier between English-speaking and French-speaking members of both houses. In fact, it is an excellent opportunity to perfect our knowledge and pronunciation of each other's language. May I be permitted without being accused of undue partisanship to congratulate the Conservative Government for this action, which was long overdue?

It has been truly said that "the greatness of a country is measured by the stature of the men and women who live in it". Many challenges will have to be faced during the next few years, but surely Canadian unity is worth some serious soul-searching to work out a solution.

In a democracy you and I are responsible, or to blame, if we cannot make it work, and it is up to each and every one of us to help our public men, our governments, and others, to find a solution to this resurgence of ethnic spirit now taking place in Quebec. We would all do well to recognize the impact of this resurgence.

Maybe our young people will provide the answer to these problems. Let us by our example help them to abolish the bridgeheads of bigotry and hatred wherever and whenever they appear. Let us teach them to develop their capacity for independence of thought, to show respect for laws and authority, to understand clearly the democratic principles by which we live, and to live by the Divine commandment: "Love thy neighbour as thyself".

We must convince Canada's youth of the wonderful heritage they have, teach them to develop a new set of values based upon justice and tolerance, geared to meeting the challenge of the new situation in human relations, and make them realize that it is in large measure up to them to make Sir Wilfrid Laurier's prophecy that "the 20th century belongs to Canada" come true.

Today's youth have labelled themselves the "if" generation. If they are given the opportunity to reach manhood they might attempt to solve some of the problems which now threaten to blow up their world. If we, their elders, keep the world from blowing up with their youthful dreams, they would endeavour to succeed where we have failed.

What a pitifully small inheritance they are willing to settle for—simply, that we prevent their world from blowing up! I submit that right here and now we should strive towards leaving them something a little better than a planet still physically intact. We might not entirely solve the problems of prejudice and

intolerance, but surely we could refrain from encouraging or helping the spread of these evils.

As Canadians, we should do everything possible to promote national unity and understanding even if, at times, it means swallowing some selfish pride. We should stop pretending to be and start behaving like Christians even if, at times, the shoe pinches our Christian feet. The task might appear difficult and demand sacrifice, yet surely the reward of leaving the "if" generation with a world a little better than this one is worth striving for. If then we can do this, the "if" generation—our Canadian youth—might become the generation of achievement.

Hon. Jean-François Pouliot: Honourable senators, this academic debate shows that the amenities of life are well preserved in the Senate.

I am pleased, Sir, to join my colleagues in telling you how satisfied I was at your appointment. Having known you for many years in both the Senate and the House of Commons, I know your fairness and your experience will be a tower of strength for all members of this house.

It is my pleasure to congratulate the honourable senator from Royal (Hon. Mr. Brooks) and his deskmate, the honourable senator from Ottawa East (Hon. Mr. Choquette), upon their elevation to the leadership and the deputy leadership of the Government in this house.

I have known Senator Brooks for many years. We served together with the Honourable Mr. Howard Green on the Civil Service Committee, a committee which did a very good job and succeeded in tabling a unanimous report during two successive sessions. I cherish happy recollections of my dealings with the honourable gentleman, and I am sure that he will be true to the tradition established by his predecessor, the honourable senator from Rosetown (Hon. Mr. Aseltine), who was most helpful to all of us in his important functions.

I congratulate the mover (Hon. Mr. Haig) and the seconder (Hon. Mr. Fournier, Madawaska-Restigouche) of the address in reply to the Speech from the Throne, on their able speeches.

Honourable senators, I wish to remind you that the Library of Parliament is at our disposal. Its wealth of information is probably unique in this country; its staff, from the Parliamentary Librarian to the last appointed employee, is most helpful. Honourable senators will find in the library all the information needed to be well informed on any matter discussed in this chamber.

We have another very precious and rich source of information in the Government Printing Bureau. The gentleman who did most to establish the Printing Bureau as it is now was Mr. Edmond Cloutier, who suffered an unfair treatment when he was brought as a witness before a committee of the House of Commons. Is it not remarkable that each morning we get simultaneously a copy of both the English and the French *Hansard* of the House of Commons, which are very voluminous; the parliamentary papers, that is, the *Routine Proceedings and Orders of the Day* and the *Votes and Proceedings* of that house; also, the Senate *Hansard* and the *Minutes of the Proceedings* of the Senate; and all the departmental publications?

At the opening of this session, I mentioned some of those publications which are available to all of us. Since then, several of our colleagues have told me that they have received the books they ordered from the Printing Bureau and are delighted to have them on the shelves of their offices for further reference.

Naturally, those books do not read like novels and may seem to be arid. Even so, if precise and correct information is needed, honourable senators may get it not only in the statute book but from the *Canada Gazette*, Part I, which contains much important information concerning the income and expenditure of each department. The departmental reports are also available, as well as some other publications which will surely interest honourable members of the Senate. I recommend to you not to throw in the waste basket the leaflets which you receive daily informing you about the new publications from the Printing Bureau. You should read them.

Each department publishes a periodical dealing with its activities. Some periodicals appear weekly, some monthy, and others are published two or three times a year. The publication *Foreign Affairs* deals with the activities of the External Affairs Department. The publication *Foreign Trade* deals with the trade and commerce of this country. Those are but two examples of many which are available.

The present Queen's Printer, Mr. Roger Duhamel, has succeeded magnificently in continuing the work of Mr. Edmond Cloutier, with the aid of some dedicated men who are devoted to serving the country to the best of their ability.

It was King Solomon who first recommended the reading of books. A long time afterwards, Caliph Omar destroyed the library of Alexandria in Egypt.

To sum this up, honourable senators, I may say that you know very well the importance of the information which you need, and that it is more useful than any lecture or conference. You may find that information in the Library of Parliament, in books that you have to return; or you may find it in books and periodicals which you may obtain from the Printing Bureau and keep for your own benefit.

I turn now to three things contained in the Speech from the Throne. One is:

> Legislation respecting the Senate will be introduced.

This concerns the age limit for senators. The Government may, if it wishes, go on with the bill which is before the other house.

At this point I should like to welcome and congratulate the new senators and to remind them that it is a great honour to be a member of the Senate of Canada.

Some years ago one of the older senators from Saskatchewan said that a senator should be, in the first place, a senator. I feel that one of the new senators deserves special congratulations—I refer to the honourable senator from Gormley (Hon. Mr. McCutcheon)—for having resigned his directorates to give his full time to the Privy Council sittings and to his duties as representative of the Prime Minister in this chamber. The first one to occupy that informal position was the late Senator Brunt, who was very much liked by all of us. He was a man who had a high sense of duty, who worked hard and performed a most useful job.

I find that the duties of the Leader of the Government in this chamber are so onerous that it was appropriate for the Prime Minister to name one of us as his personal representative, in order to report to him what is being done by the Senate.

Honourable senators, if I insist on drawing your attention to the reference books which you may get in the Library or from the Printing Bureau, it is because I want you, as senators of Canada, to give the full measure of your talent in this house. If you do so, you will find the work most interesting. This is the loneliest place on earth when one has nothing to do, but if you follow the legislation and keep yourselves informed about it as it comes before us you will be interested, you will be happier, and you will perform a very useful service to this country.

Some speeches are very eloquent. In this respect I congratulate my honourable colleague who spoke before me (Hon. Mrs. Quart). She showed that she possessed that rare gift which Mackenzie King called good will. We have to work in unison in order to accomplish something useful for our fellow-citizens. It has been done already on many occasions which have not been forgotten, and what was accomplished by the Senate, in spite of threats and menace, was for the good of the country and was recognized as such from coast to coast.

That being said, I wonder what will be the use of the legislation which has been sponsored by the Prime Minister to amend the British North America Act with regard to the age limit for retirement of senators. Some of them are less young than I am, but their minds are clear, they have experience, they have served their country well, and are still doing so in this chamber. The Government does not say much about the matter in the Speech from the Throne. It is mentioned casually, but I hope that the Prime Minister and the Cabinet will reconsider their hasty action about it, and that the bill to amend the British North America Act respecting the Senate will be allowed to lie on the shelf for a long period of time.

I would refer now to the following paragraph in the Speech from the Throne:

> To ensure that the redistribution of electoral districts is made objectively and impartially, you will be asked to approve a bill to establish an independent commission to recommend redistribution.

We have enough commissions, and we have a lot of committees which do not sit—there are some also in the House of Commons. It belongs to the House of Commons to determine the boundaries of each constituency. I have confidence in the fairness of the members of Parliament of all parties to be able to come to an understanding concerning the electoral divisions in constituencies, and good work has been done in the past. We have heard enough about the Fathers of Confederation and about the statesmen who were in charge of the affairs of this country before this Government came to power to follow their example in that connection. I still believe that good redistribution can be made by Members of Parliament, without the assistance of any commission. A constituency is like a large family, and no one knows it better than the sitting Member of Parliament for that constituency. Therefore, I hope that that legislation will not go further.

Another matter I have to deal with is Canadian citizenship. If you look at the dictionary, you will see that a citizen is one who owes allegiance to a state in which the sovereign power is retained by the people. For example, in the United States of America the Kennedys are American citizens. A person is a subject when the sovereign power is actually or theoretically retained by a personal

sovereign, such as a monarch. This is our case. Therefore, being loyal to my oath of allegiance to Her Majesty, I believe that the Canadian Citizenship Act should be changed and that in future Canadians should be called Canadian subjects of Her Majesty. Since the Statute of Westminster was passed, we hear so much about states like Canada and Australia being independent—in the Commonwealth, naturally—that I do not see why the time has not come for Canadians to be described as Canadian subjects of Her Majesty the Queen instead of British subjects and Canadian citizens.

At present we do not know what we are. A Canadian citizen, according to Section 21 of the Canadian Citizenship Act, is a British subject. Then, Section 23 reads:

> 23. (1) Every person who, under an enactment of a country listed in the First Schedule, is a citizen of that country, has in Canada the status of a British subject.
>
> (2) Every person having in Canada the status of a British subject may be known as a British subject or as a Commonwealth citizen; and in this Act and in any other enactment or instrument, the expression "British subject" and the expression "Commonwealth citizen" have the same meaning.

Therefore, each one of us is at the same time a Canadian citizen, a British subject, and a citizen of the Commonwealth. What are the parts of the Commonwealth which are referred to in subsection (1) of Section 23? They are Australia, Canada, Ceylon, India, New Zealand, Pakistan, Southern Rhodesia, The Union of South Africa and the United Kingdom. And then in small type, as a footnote to the First Schedule, I read:

> Under authority of s. 34 (2) (a) Ghana, the Federation of Malaya and the Federation of Rhodesia and Nyasaland have been proclaimed to be countries of the British Commonwealth for the purpose of this Act.

What I cannot understand is that all those people enjoy public rights in Canada. No one could complain that they, and even aliens, enjoy private rights in this country. The usual rights that are recognized all over the world are rights to buy and sell, and to own property, but those private rights are not in question. However, when it comes to public rights it is a different proposition. My contention is that no one who comes from Pakistan, Australia, Ceylon, or anywhere else, and who has not been in this country for five years should be qualified to vote with residence here of two or three months. I do not find that just. He may call himself a British subject, he may be a British subject, but I do not see why he should have the right to be nominated as a candidate in an election or to vote for a candidate who runs for public office in this country. The act should make a distinction between private and public rights, and that would make it much easier to understand.

At the present time I challenge anyone to give a clear answer to some questions about citizenship. We are not in the United States; we are not in the British Isles. We are in the realm of Canada, and our Sovereign happens at this time to be the Sovereign of the British Isles, and when I took the oath of allegiance to Queen Elizabeth II it was to her in her capacity as Queen of Canada. My contention is that we have all done the same implicitly.

This leads me to another matter which has been controversial to a certain extent but about which no decision has been made by the Government. I refer to a paragraph in the Speech from the Throne which reads:

> As another means of making manifest the Canadian identity, my Government will invite the provinces to a conference for consultation regarding the choice of a national flag and other national symbols.

My suggestion, honourable colleagues, is that a flag, a national flag, a distinctive flag, should give to all people who see it the knowledge that it represents Canada. When you see a distinctive Canadian flag you must think of Canada just as the Americans think of the United States when they see the Stars and Stripes, and as the French think of France when they see the Tricolour, and as the British think of Great Britain when they see the Union Jack.

At the present time, until the Citizenship Act is amended, we are not ready to recognize the fact that we are Canadian subjects of Her Majesty, and it will be useless to discuss a Canadian flag between ourselves. Look, for instance, at all the triangular flags there are. You know, I presume, what a triangular flag represents. According to the rules of heraldry it represents the illegitimate branch of a family. If we were to have a flag with two triangles, one red representing the English-speaking Canadians, and one white representing the French-speaking Canadians, would that mean that both English-speaking and French-speaking Canadians belonged to illegitimate branches of the great Canadian family? That is not very flattering.

I do not see how by prodigy of imagination one could attribute a colour to a race. By that I mean white or red to represent and designate the French or the English.

Moreover, as long as the suggestion is made, and it is discussed, that there should be a Canadian flag representing various races in this country, we shall get nowhere. The only way to conceive a national flag is by thinking of a single idea and incorporating in the flag a truly national and distinctive emblem of any desired colour on a suitable background of any desired colour. Whether it be red on green, green on red, blue on white, or white on blue, or any other colour combination, we need a nationally recognized emblem, one big enough to be seen and readily identified by all who see it, whether it be flying from the masthead of the Peace Tower of the Parliament Buildings or elsewhere. One must be able to see the emblem to recognize the flag; and in order to have an emblem large enough there can be only one on the flag. All the emblems now included in the Red Ensign cannot be incorporated, because one could not see them properly when the flag flies atop the Peace Tower. We are not ready for a Canadian flag, because we do not have a truly Canadian citizenship embracing our loyalty to the Queen of Canada.

Honourable senators, I now ask you to allow me to adjourn the debate. I have expressed my feelings on those matters which I have touched upon, but I shall have something else to say about another paragraph of the Speech from the Throne, that regarding the repatriation of the Constitution of Canada.

Apart from the matter under discussion, if I may be permitted, honourable senators, may I remind you that today the city of Ottawa has lost one of its most prominent citizens, a gentleman who was for ten years member of the House of Commons for the Ottawa West constituency. He was an important businessman, and accomplished a lot for the city of Ottawa. A well-known sportsman, he was a member for Hockey's Hall of Fame. He was better informed about politics than most people, was very well read, a most kind-hearted man, and a true friend of the Honourable Paul Martin, of myself, and many other parliamentarians. I refer to Mr. T. Franklin Ahearn, who died this morning at his home. I offer my most sincere sympathy to his widow and children.

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

PRIVATE BILL

THE SOVEREIGN LIFE ASSURANCE COMPANY OF CANADA—SECOND READING

Hon. Gunnar S. Thorvaldson moved second reading of Bill S-11, respecting The Sovereign Life Assurance Company of Canada.

He said: Honourable senators, The Sovereign Life Assurance Company of Canada was incorporated sixty years ago, in 1902, by the Parliament of Canada and, as its name implies, is a company carrying on the business of life insurance. Its head office is in the city of Winnipeg. It may be of interest to remark that, although its head office has been in Winnipeg since the company's incorporation, throughout the years a large proportion of its business has been transacted in the province of Quebec.

The sole purpose of this bill is to add a French version of the name The Sovereign Life Assurance Company of Canada, namely, La Souveraine, compagnie d'assurance-vie du Canada.

Perhaps that is all I need say on second reading. If this bill is given second reading I shall move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

BANKRUPCY ACT

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, October 18, the adjourned debate on the motion of Hon. Mr. Higgins for second reading of Bill S-2, to amend the Bankruptcy Act.

Hon. J. Campbell Haig: Honourable senators, in speaking on the second reading of Bill S-2, an act to amend the Bankruptcy Act, it must be made clear at the outset that I am not an expert on bankruptcy. I merely wish to try to answer some of the questions raised by the honourable senator from Toronto (Hon. Mr. Hayden), at pages 85 and 86 of *Hansard* of October 16, and by the honourable senator from Ottawa West (Hon. Mr. Connolly), at page 88 of the same date. I also wish to speak to this honourable house about some of the experiences we have had in the province of Manitoba in dealing with a similar act, the Orderly Payment of Debts Act.

One of the criticisms directed at the bill now before us was with regard to the absence of the provision for the appointment of a trustee, and allowing the Clerk of the County Court in Manitoba, or a similar official in other provinces, to act as receiver or clerk for the purposes of this bill. The Orderly Payment of Debts Act was in force in Manitoba from May 1932 until its repeal

in December 1961, by reason of the decision of the Supreme Court of Canada declaring that the Alberta act, which was similar to that of Manitoba, was ultra vires.

After the Supreme Court ruling was made our provincial attorney general was consulted with regard to this proposed measure, and he stated that he would welcome this legislation in proper, legal form, and that it would be proclaimed in Manitoba as quickly as possible after its enactment by the Parliament of Canada.

This measure provides a simple and inexpensive procedure for the protection of both the insolvent and the creditor. As you are aware, the procedure is that the insolvent makes his application to the Clerk, his debts are consolidated, a decision is made as to what is reasonable and fair for the insolvent to pay, notices are sent out and these moneys, when paid, are then distributed pro rata among the creditors. During the time that the Manitoba act to which I refer was in force, I am informed that only about five per cent of the insolvents failed to make payments. Of course it may take a few years for the creditor to get his money, but getting the money in instalments is at least better than not getting it at all.

As I said before, there is protection in this bill for the creditor, should the insolvent fail to make payments, in that he retains his rights under the other provisions of the Bankruptcy Act. The creditor is further protected by the fact that when the order has been made, and the time for appeal has lapsed, it is filed with the proper office, such as the Land Titles Office, and the insolvent is prevented from divesting himself of his lands and, in certain county court districts, of his chattels.

It has been suggested, I think, by the honourable senator from Ottawa West (Hon. Mr. Connolly), that the Official Receiver or Registrar in Bankruptcy should be used instead of the Clerk of the Court. In Manitoba there is only one registrar for the whole province, but there are sixty-two county court clerks throughout the province, all of whom are officers of the court. Their accounts are under the control of the Department of the Attorney General and are audited each year. So it would seem to me that this section providing for the use of clerks would be of great advantage and also less expensive to those living outside capital cities, although I must admit that while the Manitoba Act was in force 90 per cent of the claims for consolidation were from the city of Winnipeg.

In the last couple of weeks I have had the opportunity of speaking to people in Manitoba about their experiences under the Orderly Payment of Debts Act, and I found out that from 1950 to December 1961 there were on the average 49 cases per year, 90 per cent of which were in metropolitan Winnipeg. Also during that period the Welfare Council of the Family Bureau of Greater Winnipeg found that many of their clients had gone on a spending spree and were in desperate need of financial guidance, household budgeting, and so on, and the bureau informed us that the Manitoba Act had been of great help in solving some of these personal problems. Other welfare organizations in the city, which dealt with similar problems of people who belong mainly to the middle-income group, found that under the act the court gave excellent service to those people in such difficulties.

Hon. Mr. Hugessen: May I ask the senator a question? Under the Manitoba act was the officer in charge of its administration a clerk of the court, as is proposed by this measure?

Hon. Mr. Haig: In the county court of Winnipeg a deputy clerk was appointed for the purpose of dealing only with cases under the Orderly Payment of Debts Act.

Hon. Mr. Hugessen: The clerks in Manitoba have some experience with regard to this particular kind of legislation?

Hon. Mr. Haig: They have. And as 90 per cent of the cases were in Winnipeg, the deputy clerk was better qualified than were the clerks in smaller towns.

I also found out in talking to our Attorney General, the Honourable Sterling Lyon, and his deputy, that they would welcome this legislation to replace the provincial act that has been repealed.

The experience of the Attorney General's department shows that many people in the small-income bracket needed this act because it protected the debtor from being harassed by his creditors. It also prevented the debtor from going further into debt because after this consolidation order had been filed, any person extending credit to that debtor without making a check did so at his own peril. Therefore, many of these small-income insolvent debtors were prevented by reason of the act from becoming a liability to the province.

To sum up, I would say that this amendment, although it may not go as far as some honourable senators have suggested—that is, a complete revision of the Bankruptcy Act—at least goes part way in helping a certain section of the community. It is simple; it is inexpensive; and it will help the unfortunate insolvent to start afresh. There will be no embarrassment; there will be no publicity in the papers about an order being filed in the Land Titles office or the Clerk's office. It must, however, be remembered that all

parties must have good intentions, and the creditors must be prepared to agree to share the payments provided weekly, semi-monthly, or monthly, and they must stop harassing the debtor.

For those reasons I would vote for second reading of the bill.

Hon. Mr. Gouin: May I ask a question? In Quebec, and I understand it is the same in Manitoba, the Bankruptcy Act is administered by the Registrar appointed by the federal Government. Under this proposed legislation I understand that in our province a deputy prothonotary would take charge of the application of these consolidation orders. I am under the impression that this matter would have been simplified if the Deputy Registrar were the person in charge. Prothonotaries in the province of Quebec are quite a different set of officers from those of the Bankruptcy Court.

Hon. Mr. Haig: Honourable senators, these amendments apply only to debts of certain limitations. If the debts are larger, resort must be had to the Bankruptcy Court. Section 173 provides that the Clerk of the Court in the province of Alberta is the Clerk of the District Court, and in the province of Manitoba he is the Clerk of the County Court, and that in any other province he is the Clerk of the Court that is designated from time to time by the regulations.

I do not know what would happen in the province of Quebec, but in Manitoba the Clerk of the County Court has experience in these matters and has already done a satisfactory job.

Hon. Mr. Gouin: In Quebec it is the Superior Court sitting in bankruptcy that has jurisdiction, and it is the Registrar of the Superior Court, instead of a Clerk of the Superior Court, who looks after the administration of the Bankruptcy Act.

Hon. Mr. Haig: May I suggest that this matter be further discussed when the bill is before the committee.

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

NATO PARLIAMENTARIANS' CONFERENCE

ATTENDANCE BY SENATORS

Hon. W. Ross Macdonald: Honourable senators, I shall be absent from the Senate for the next two weeks while I am attending the meetings of the NATO Parliamentarians' Conference in Paris. I wish to thank all honourable senators for making my attendance possible.

During my absence the work of the Senate from this side of the house will be directed by the honourable senator from Kennebec (Hon. Mr. Vaillancourt) and the honourable senator from Inkerman (Hon. Mr. Hugessen). I am sure all honourable senators will agree with me when I say that I am very fortunate in having two such wise and experienced colleagues.

The Hon. the Speaker: On behalf of all honourable senators I offer to the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford), and other members of the Senate who are attending this important conference in Paris, our very best wishes.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 8, 1962

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

Prayers.

PRIVATE BILL

THE CHRISTIAN BROTHERS OF IRELAND IN CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-7, to incorporate The Christian Brothers of Ireland in Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Higgins moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 379 to 408, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, November 13, 1962, at 8 o'clock in the evening.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Jean-François Pouliot: Honourable senators, to complete what I said yesterday in connection with the Prime Minister's bill to enact an age limit for the retirement of senators, may I quote what was said on March 14 by the then Leader of the Government in the Senate (Hon. Mr. Aseltine) on the occasion of paying tributes to the late Senator Hardy. I quote:

> It would appear that Father Time, as usual, is rapidly reforming the Senate—if that is the proper term to use in these circumstances. There are now ten vacancies in the Senate, which no doubt will be filled in due course, thus bringing in ten fresh viewpoints.

Unfortunately other colleagues of ours have died since that was said.

With regard to a distinctive Canadian flag, the suggestion of the Government is to invite the provinces to a conference for consultation regarding the choice of a national flag and other national symbols. A provincial conference will achieve no more success than did the joint parliamentary committee that was appointed a number of years ago to study this question. It will be a second Tower of Babel. The only way for Canada to have a distinctive Canadian flag is for the present Government to follow the example of the late premier of Quebec and pass an order in council to decide what kind of a flag we should have. I stand by what I said yesterday; you heard me, and I will not repeat it. This is the only way we can have a national flag right now, and the Government must know that the accomplished fact is accepted by the Canadian population.

Honourable senators, I have one thing more to add. It is that the leaders of the parties say that they all favour a distinctive national flag—period! 30! They add nothing. We do not know what they intend putting on the flag, and unless they say what kind of flag they want it is useless to repeat the same banality.

I come now to the main point of my argument today, and it concerns one paragraph of the Speech from the Throne. It reads:

> My Government will ask you, as a significant step in rounding out the concept of Confederation, to consider a resolution to provide for the "repatriation" of the Constitution of Canada and to invite the concurrence of the provinces to this end.

We should start at the beginning, and remember that Confederation, the British North America Act of 1867, was inspired by fear, the fear of a Fenian invasion. Nothing that is done out of fear can be well done because it is done in a hurry. The Fathers of Confederation thought of Canadians, ranging from children to men of seventy. I suggested to you, my honourable colleagues, to get the *Debates of Confederation* and you will

see that I do not exaggerate. If you have the books you may verify what I have said; and if you have not, you have only to order them from the Printing Bureau, with the index, and you will see that I am exaggerating nothing.

If you will permit me, I shall now explain to you the meaning of the questions which I have put with regard to the respective powers of the Parliament of Canada and the provincial legislatures with regard to marriage. That inquiry stood on the Order Paper of this chamber for some weeks before the dissolution of the last Parliament. I placed the same inquiry, containing the same questions on the Order Paper again this session, and it continued to appear for a few weeks until it was answered by the Acting Leader of the Government (Hon. Mr. Choquette), at page 168 of Senate *Hansard*.

The inquiry is an obvious one. In the first place, it refers to the exclusive legislative authority of the Parliament of Canada relating to marriage and divorce by virtue of subsection 26 of section 91 of the British North America Act, with the exception of exclusive powers of provincial legislatures to make laws for the solemnization of marriage, by virtue of subsection 12 of section 92 of the said act. It means, in simple language, that this Parliament can do certain things that the provincial legislatures cannot do and, on the other hand, the provincial legislatures can do certain things that this Parliament has not the power to do, each one functioning in its own field.

That enactment of the Constitution was interpreted by the Privy Council in the year 1912, and I have given copies of this judgment to Your Honour and to both the Leader of the Government (Hon. Mr. Brooks) and the Acting Leader of the Opposition (Hon. Mr. Vaillancourt).

Hon. Mr. Roebuck: What is the reference, may I ask?

Hon. Mr. Pouliot: The reference is to the judgment of the Supreme Court of Canada in 1912 regarding marriage, and that judgment has been confirmed by the Privy Council. The text of the judgment appears in the Appeal Cases for 1912, and in the Constitutional Cases published by Mr. Richard Olmsted when Mr. Garson was Minister of Justice. The judgment of the Privy Council was delivered by Lord Justice Haldane. It is quite long, and I do not want to delay the house by reading it at this stage, but I have given the reference.

In its decision the Privy Council decided that all legislative powers concerning marriage and divorce had been given to the Parliament at Ottawa by the Constitution, and it was only by way of an exception that the provincial legislatures had authority to legislate exclusively only as to the solemnization of marriage. That is the decision. Some further explanation is to be found there.

The first and second questions of my inquiry read:

> 1. Did the Government receive any formal request from any province or any specific representation from any one to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?
>
> 2. If so, from whom and when?

What I am going to say does not apply only to the legislature of the province of Quebec. It applies to all the legislatures of Canada indiscriminately, because they are all on the same footing. The first suggestion was that because the legislatures had no power to legislate upon this matter the only thing to do was to suggest to the Government that it request the British Parliament to amend the Constitution so as to transfer the rights of the federal Parliament respecting marriage to the provincial legislatures.

Do I make myself clear in that? That was the first suggestion. They could have said to the legislatures: "You can legislate validly if the Constitution is amended in order to give you the power to legislate upon these matters." What else is there to do?

The only way for the provinces to have valid legislation amending the Quebec Civil Code of 1866 is for the attorney generals—all of them—to come to Ottawa and ask the Government of Canada to sponsor some legislation amending the Civil Code, as it has power to do except with respect to the solemnization of marriage.

I wonder if you understand my language, honourable senators. I am trying to be as clear as possible, and if you desire to ask questions I shall be delighted to answer them.

There are precedents for what is suggested. The Canadian Parliament has already amended not the Civil Code but the civil law concerning in-laws, permitting brothers-in-law to marry their sisters-in-law. That was the subject of a long debate which lasted two years from 1880 to 1882. The sponsor of that amendment was Mr. Désiré Girourard, who was afterwards appointed to the Bench of the Supreme Court of Canada. He said that he had a petition signed by hundreds of women of Montreal who wanted to have legislation passed by the federal Parliament permitting brothers-in-law to marry their sisters-in-law.

That was the purpose of the legislation which is referred to in question number 3, at page 167 of Senate *Hansard* of October 31

last. Afterwards, that amendment was included in the Revised Statues of Canada. Further legislation was passed in 1932 by the Parliament of Canada in order to allow sisters-in-law to marry their brothers-in-law, in order to give equality of rights to women. This can be found now in chapter 176 of 1952, being intituled "An Act respecting Marriage and Divorce".

The question continues:

> ...did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the province of Quebec?
>
> 4. If so, from whom and when?

That citation or reference comes from a resolution passed by the Young Liberals of Montreal, and published in *Le Devoir* of Monday, October 27, 1958, in which they said that those articles should be amended. They did not realize that the province had no authority to pass that legislation.

What is more remarkable is that since then there has been a change of Government but no amendment has been made to the Civil Code with respect to marriage.

Of all the amendments which have been passed with regard to marriage, only one is valid. It is an article in the part concerning the solemnization of marriage and it is about notices for the marriage of Hebrews being given on the Sabbath Day. That is all there is. That amendment is valid because it concerns the solemnization of marriage.

I have a report here which I should read to you, with your permission, or which I could suggest be published as an appendix to the *Debates of the Senate.*

Before I proceed further, I must tell you that that very question was sent last year to all the attorneys general and to all the chief justices of Canada. Nobody sent me an answer to it. They all remained mute and silent. They were silent with me, but they were not silent with the Government. I have the conviction that directly or indirectly all of them asked the Minister of Justice not to answer those questions. By the way, during that period of time the then Minister of Justice was busy electioneering and was not in his seat, so much so that I declared from my seat here that he ran away from Parliament in order to avoid answering my questions. It was so much the case that I then asked an insignificant—it was bait—question, about the number of Q.C.'s and K.C.'s appointed since Confederation. Authority was given then to answer this question. There were many such appointments, especially during the reign of our Gracious Sovereign the late Queen Victoria.

One point is very important. It is that the then Minister of Justice authorized the answer to that simple question, whereas there was no authorization for any answer to the other questions. Since then there has been a change in the head of the Department of Justice. I saw the new minister and told him what I have just told you. He was very gracious with me and gave me the answer that I suggested be given last session, when I was fed up seeing my inquiry on the Order Paper day after day.

Now we have the answer which has been given, and which is mine. I have no copyright on it, unfortunately; otherwise I would have charged a royalty for it. The answer is:

1. No.
2. Answered by No. 1.
3. No.
4. Answered by No. 3.

Honourable senators, do not laugh. It is a very serious matter.

The present Minister of Justice never got the same information as his predecessor, because I presume that the chief justices and the attorneys general have not made any representation to him. Therefore, if the first incumbent of those high functions knew about the intrigues which were made to prevent the Government from answering my questions, the other one did not; and so he answered candidly: "No, no, I have no information."

Now, if we are to repatriate the Constitution we should start from the beginning and correct all the wrongs that it contains, and there are many of them. I read this from the Speech from the Throne:

> My Government will ask you, as a significant step in rounding out the concept of Confederation, to consider a resolution to provide for the "repatriation" of the Constitution of Canada and to invite the concurrence of the provinces to this end.

Nobody wants any information on that. All the attorneys general could put their heads in the sand and they would think it would solve the question. How many times have my honourable colleagues who belong to the

legal fraternity heard that the distinction between civil law and common law is that civil law is found in principles written in a code, and that common law is simply the jurisprudence of the land; but when we have jurisprudence that comes from the highest tribunal and is ignored, then where is common law? If you pay no attention to the decisions of the justices of the peace, at least you should take into consideration the jurisprudence of the Privy Council. That is my point.

Honourable colleagues, I wonder if you will allow me to quote an authority on the matter—an able gentleman who was on the Bench for more than 30 years, who was Chief Justice of Canada for 10 years and who was in charge of the revision of the Civil Code of the province of Quebec. In his letter he declares that the amendments to the marriage part of the Civil Code are null and void, except for one as aforesaid. Then he goes further and says that the matrimonial covenants should be put before the marriage part of the Civil Code, for the very good reason that those covenants should be anterior to the marriage, because they take effect by the marriage; if there is no marriage, there is no covenant.

If honourable senators are interested in the matter, I shall read the letter which was sent by Chief Justice Rinfret, in his capacity as a commissioner for the revision of the Civil Code, that letter having been countersigned by a notary, Emile Delâge, Quebec city, former President of the Chamber of Notaries, province of Quebec, and by the senator from De la Durantaye in his capacity as special officer for the revision of the Civil Code. We were partners. The letter, entitled, "Introduction to the amendments to the Civil Code of the province of Quebec" was sent by the commissioner to the Prime Minister. Shall I read it?

Hon. Mr. Drouin: You could put it on the record.

Hon. Mr. Choquette: Dispense.

Hon. Mr. Pouliot: Shall I have it appended to the record, or shall I read it?

Hon. Mr. Monette: I would like the honourable senator to read it so that we will all know and understand what it is, and then no one can claim that he has not seen it.

Hon. Mr. Pouliot: Thank you. The letter is dated December 23, 1958. I would like to translate it into English, but the matter is so important that I will read it in French and trust the translator to translate it into English for the Senate *Hansard*:

(Translation):

Hon. Maurice L. Duplessis,
Q.C., M.L.A.,
Premier and Attorney General,
Parliament Building,
Quebec City

My dear Premier,

This morning, at a conference with the special revision officers, Mr. Jean François Pouliot and Mr. Emile Delâge, N.P., strong doubts were raised concerning the legality of the amendments passed by the legislature as regards marriage, separation from bed and board and marriage convenants.

It was represented that, with the exception of the 1903 amendment to article 130 C.C. for the publication of banns in the case of persons belonging to the Jewish faith, which forms part of chapter entitled "Of the Formalities relating to the Solemnization of Marriage", the sixteen other amendments respecting marriage and separation from bed and board might be illegal and ultra vires.

Apparently, articles 145, 146 and 147 C.C., as well as articles 121, 125, 138, 170, 176, 177 and 180 C.C., which are part of the Title of Marriage, would come exclusively under federal jurisdiction, and not provincial jurisdiction, in all matters concerning amendments to the original version of the 1866 Civil Code.

The same thing could be said of the amendments to articles 188, 192, 193, 194, 210 and 217 C.C., which are part of the Title of Separation from Bed and Board.

Sub-section 26 of section 91 of the British North America Act, 1867, gives the federal Parliament an exclusive legislative authority on marriage and divorce; on the other hand, all that the same act entrusted to provincial legislatures concerning marriage, under sub-section 12 of the following section 92, is the exclusive power to legislate in relation to the "solemnization of marriage in the province".

It was also represented, for the same reasons, that the legislature has gone beyond its powers in amending several articles of the title "Of marriage covenants and of the effect of marriage upon the property of the consorts."

If there were a basis for the serious doubts thus raised, it would be the original version of 1866 of those articles amended by the legislature which would remain in force, notwithstanding the subsequent amendments which would be ultra vires, illegal and void.

The articles concerning marriage, separation from bed and board and marriage covenants are of such importance, from the standpoint of the family, and are such a delicate matter, that I consider it my duty to inform you of the objections of a strictly legal nature which were raised against the amendments passed by the legislature in these matters.

Sub-section 21, section 91, of the B.N.A. Act bestows exclusive legislative authority on the Parliament of Canada in all matters pertaining to bankruptcy and insolvency; on the other hand, the exclusive powers of provincial legislatures to make laws in relation to the incorporation of companies with provincial objects, under paragraph 11 of section 92 of that act, would permit to consider as legal the provisions of section 1892 of the Civil Code concerning the dissolution of the company through bankruptcy, and of sections 371 and following of the Civil Code, with regard to the forced and voluntary liquidation of companies.

Such objections have not been raised to the many amendments made to other parts of the Civil Code, of which Mr. Pouliot has drawn a complete list. In addition, he indicated the source and effect of each amendment on every amended section of the Civil Code. The transcription of the French version of those amended sections is completed and that of the English version is almost finished.

Subject to the above-mentioned reservations, it remains for us to point out which sections must be removed from the Civil Code because they come under federal jurisdiction as, for instance, those pertaining to citizenship and naturalization, to maritime law, to commercial law, etc., before making the necessary corrections required by the Civil Code revision act, to every section of the Civil Code amended or not, of which a great number will have to be made also to the Code of Civil Procedure.

Montreal December 23, 1958.

Yours truly,

(Signed) Thibaudeau Rinfret,
Reviser of the Civil Code.

Countersigned by the special officers,

(Signed) Jean François Pouliot, C.R.
(Signed) Emile Delâge, N.P."

(Text):

If I may be permitted, honourable senators, I shall read to you another document which was signed by my partner, as a special officer, Notary Emile Delâge. I shall read it in French and it too will be translated in *Hansard*.

(Translation):

"In the course of the legal studies we made over a period of years for the revision of the Civil Code of the province of Quebec, we noticed, not without some amazement, a general and complete lack of interest in the close relationship that exists between constitutional law and the law in all other fields.

As special officers, we worked in cooperation with the Right Honourable Thibaudeau Rinfret, C.R., former Chief Justice of Canada, who revised the Civil Code and who was the first to point out to the government of the province of Quebec the inadequacy of the amendments made by the legislature to several articles of the Civil Code.

His letter of December 23, 1958 to the Premier and Attorney General is based on the crystal-clear text of the Constitution of 1867, as interpreted by the Privy Council's jurisprudence. That is an official document which is the property of the province of Quebec. I fail to understand why it has never been produced in the legislative assembly because we feel that this warning is probably the greatest service the former Chief Justice of Canada did for the Canadian people and, especially, for his compatriots of the province of Quebec.

While we were working on the revision of the Civil Code, we never felt for a minute that we were working for any provincial government in particular. We just simply carried out our legal searches conscientiously and objectively for the benefit of the province of Quebec, in the hope that sooner or later our efforts would be of some use.

Finally, it is because we are firmly convinced that law, as any other science, has a relative degree of truth that one cannot overlook, that we take the liberty of calling to your attention the enclosed letter which Chief Justice Rinfret wrote to Dr. Duplessis, on December 23, 1958, and the decision handed down by the Privy Council, in 1912, and which defines the respective jurisdictions of the federal Parliament and of the provincial legislatures on the question of marriage, both jurisdictions being exclusive.

Quebec City, August 13, 1962

(Signed) Jean-François Pouliot, Q.C.
(Signed) Emile Delâge, N.P."

(Text):

In order to familiarize my honourable colleagues with what I have read, it is that that report belongs not to the Government of the province of Quebec, but to the province of Quebec and therefore it is important that it should be made public.

My reason for complaint is that after that report was made, according to the Montreal *Star* of November 18, 1961, the present Attorney General of the province of Quebec stated:

> The old commission, named by the National Union regime, failed to produce a report.

That is untrue. The reports were there, and at one time I sent by Canadian Pacific Express a duplicate of the reports. I have the receipts here. The parcel weighed nineteen pounds and was nearly three feet high. The reports were received by the Prime Minister of Quebec, who acknowledged them, and I appreciate that fact, and they were received by the Attorney General who says that he received nothing. It was untrue with regard to the Rinfret Commission established to revise the Civil Code, as it was untrue for the commission presided over by the late Mr. Auguste Desilets of Grand'Mère to revise the Code of Civil Procedure.

Now, the point is this: certain people are supposed to look after the revision of the Civil Code, but they have no power to touch the marriage part of the Civil Code. What I say applies to the Pratte Commission for the Revision of the Code of Civil Procedure, as it also applies to the Nadeau Commission for the Revision of the Civil Code.

We must face the facts as they are. The jurisprudence exists. It is as clear as crystal water, and there is positively no reason to ignore it. But it has been ignored, not only by the Department of the Attorney General of the province of Quebec but by authors on the civil law. If you examine the last book published by Mr. Walter Johnson of Montreal, which is the second edition of his *Conflict of Laws*—a book about four inches thick containing some 1,300 pages—you will find that the only reference with regard to that most important judgment of the Privy Council is the reference to it in the index, which refers to the Supreme Court only, and the same quotation is in small type in a footnote to the text. He gives one no idea at all as to what the judgment was, because had he done so it would have destroyed most of his book. Despite that, at the last convocation of McGill University he was awarded an honorary degree in law.

Mr. Johnson is not the only one. There is also a gentleman named J. G. Castel, professor at Osgoode Hall who writes on the civil laws of the province of Quebec. He has ignored that jurisprudence completely. He wrote an article in a recent issue of the periodical *Revue du Barreau*, in which he speaks about *Quaestio Famosissima*—the most famous question—something that happened during the renaissance four hundred years ago. When I saw that I was very anxious to know what it was. In fact, it is a matter of no importance at all, but he made it famous. He repeated what was said at the time about something that was insignificant, but the main thing he does not mention. Those two works are not worth a picayune. I am sorry to say that, but they ignore facts that should be known by all lawyers.

What about the university professors who are responsible for teaching the law on marriage? With very few exceptions, their mortarboards should be changed for asses' caps. They are pompous and they are supposed to teach the law, but they make subtle distinctions of no importance at all, and when it comes to the matters of great importance they are not there.

Honourable colleagues, I have said enough. I hope that the law will become a science in Canada, just as it was at the time of Cicero, 2,000 years ago. We have a lot of work to do, but we have to revert to fundamentals. The trouble is that the teaching of law in most of our universities is superficial, which makes it most difficult for the students as well as the practitioners.

Honourable colleagues, I thank you for having listened to what I had to say about this important matter. My purpose in bringing it before you is to plead for good and sound legislation—legislation that will not be attacked before the courts as being unconstitutional, legislation that will serve its proper purpose. I hope that in future those responsible for redrafting the Constitution will remedy all the wrongs presently to be found in it.

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

BANKRUPTCY ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Higgins for the second reading of Bill S-2, to amend the Bankruptcy Act.

Hon. John J. Kinley: Honourable senators, while the amendments contained in the bill now before the house for second reading are meritorious, I think all will agree they are not extensive or far-reaching so far as the Bankruptcy Act as a whole is concerned.

However, they deal with the personal relations and financial obligations of individuals, and as such are important. The bill embraces those in the salary and wage groups who are not engaged in trade and business. People in this category can get into difficulty because of sickness, misfortune or prodigality; and this legislation is designed to help those who find themselves in such circumstances. It does not create an easy way out. The debtor must make himself subject to discipline, and must be subject to the direction and control of the authority constituted to administer the act. In the three years that he can take advantage of the provisions of this legislation I think he will learn that the old-fashioned virtue of living within one's means is salutary and good.

Thus far only honourable senators with legal training have participated in this debate. That is natural, because the Bankruptcy Act is a highly specialized piece of legislation dealing with commerce. Because of their training and experience, the lawyers in this chamber should lead and direct us in matters of this kind. I believe we have splendid legal talent in the Senate. During the long time that I have been in Ottawa I have always had great respect for the distinguished lawyers in the Senate. I believe we still have honourable senators of outstanding legal ability and that they are at their best in the Senate, because here they pursue no special interests—at least, they are supposed to have none—and so speak with conviction. Thus we know they are doing their best to help us formulate laws that are in the best interests of the nation.

As a senator and businessman who has been in industry all my life, it is a privilege to be a member of the Senate and to be able to listen to and participate in debates among such able men. My experience as a member of the Standing Committee on Banking and Commerce has been a valuable lesson to me. It is a school where every honourable senator makes himself better equipped, even for the business world.

Speaking generally, I think bankruptcy is a most disturbing subject to have to deal with. We who are in the field of commerce must live with it, and it is always a hazard. The road to achievement and success in the business world is beset with lions, and these lions are to be found even in the market place, ready to destroy the weak and those who are not strong or alert enough to maintain their place in the face of competition.

This bill is simple and readily understood. Its purpose is to correct abuses in the handling of small estates. Much has been said about such abuses, although we may hear more about them in committee. There was criticism with regard to the trustee, and some senators were not satisfied with the way the trustee might handle the details of situations coming under his control.

I do not think any mention has been made about the question of high overhead costs, and the arrangement whereby time limits can be set for the making of payments, but when these costs get to be too high they can be quite a burden. If this bill succeeds in lowering the overhead costs it will achieve something greatly to be desired.

There is in this bill provision for dealing with debts not in excess of $1,000. I presume that means $1,000 for each individual item. There is another clause providing the procedure for dealing with future debts totalling more than $200 while the debtor is in the charge of a trustee appointed under this bill.

Section 175, subsection 2, of the bill says:

> Upon an application pursuant to subsection (1), the debtor shall file an affidavit setting forth the following:
>
> (c) the amount of his income from all sources, naming them, and where he is married the amount of income of his wife from all sources, naming them;
>
> (d) his business or occupation, and that of his wife, if any, and the name and address of his employer and of his wife's employer.

It seems to me that this is something new, and I do not know the significance of it, but apparently the clerk must present that affidavit with his report. I think in committee we should study that feature.

During the splendid debate we have had on this bill there has been some criticism as to whether the Clerk of the Court was the proper person to be appointed, and to have what was termed so much power in connection with administering this legislation. Well, I think the Clerk of the Court is a proper person to place in this position, and because he is a permanent official he will handle all the cases and he will have no favourites. All the instruments of the court will pass through his hands, judgments, writs, and so on, and he is in close contact with the Registrar of Deeds. I do not know of any man in a rural community better equipped to fulfil these functions than the Clerk of the Court. I know there may be a difference in the significance of the measure as applied to rural and to urban communities. But this is an enabling bill, and we in Nova Scotia need only accept it if we so wish. However, I think the Prothonotary or the Clerk of the Court is the person best suited to discharge these duties. From the point of view of economy, he is not a highly-paid servant, he has a government office, and a little help, and if there

should be additional payment for these services he would welcome it. Furthermore, he is always there, and the people know this.

The honourable senator from River Heights (Hon. Mr. Haig), speaking yesterday, said that the procedure provided for by this bill worked well in Manitoba, and he had found that the Clerk of the Court was doing an efficient job.

Another criticism raised was that the Clerk of the Court was not always a lawyer. For the most part he is in the cities. I know the clerk in Halifax is a lawyer, but I am not quite certain about Sydney or the rural districts. Anyway, even if he is not a lawyer, and if the case is of any considerable size, there will be a sufficient number of lawyers hovering around to give advice and there should be no problem in this regard.

It is said that the clerk in this capacity would have too much authority. Well, it is like making up a budget. The budget is made up and we all talk about it afterwards —I think that is a good way of doing it. After the application is made, an affidavit is filed, he makes a consolidation order, and he calls everybody in. There is always the opportunity to appeal his decision to the Court.

I consider that the Clerk of the Court is a proper person for the job, and I am much in favour of the bill as it stands.

The bigger cities may have some question about this, but they are already pretty well equipped to look after this work. Moreover, we have heard from the honourable senator from River Heights as to how well it has worked in Manitoba.

This is an enabling bill, and it would appear to me that it is introduced to do what I might call a salvaging job for Manitoba and Alberta. I think it will do a good salvaging job and it may be that many of the other provinces will also accept it, although they do not have to. The attorney general of each province can consider its application. Speaking for my own province of Nova Scotia, I know it has always been a place of wisdom so far as jurisprudence is concerned and, having considered the bill, the authorities there can decide whether they really want it or not. Speaking for myself, I would prefer the Clerk of the Court to be the officer who has charge of administration.

I heard the honourable senator from St. John's East (Hon. Mr. Higgins) say that a revision of the Bankruptcy Act was in contemplation for the near future. I might mention that I was a member of the Standing Committee on Banking and Commerce in 1949 when the act was last considered, and I think the committee at that time did an excellent job.

To the new senators I say that they will soon come to learn the value of work done by the standing committees of the Senate. I have been in public life for more than forty-five years, and I do not think I have come across a committee anywhere that does as good a job as do the standing committees of the Senate of Canada.

However, honourable senators, it was thirteen years ago that we reviewed the Bankruptcy Act. They have been busy years, years during which much has happened and we have learned much. We have learned much about credit, business, taxation, mechanization and transport, and it seems to me that when we come to consider the Bankruptcy Act we shall have a great deal to consider.

I mentioned a few minutes ago the expense of bankruptcy procedures. It is necessary to keep expenses as small as possible in bankruptcies involving small amounts of money. The matters covered by these amendments are not really bankruptcies. The debtor keeps out of the bankruptcy court by going through these various proceedings. He is in a much safer position. He knows that if he does not obtain the benefits of this procedure he may be in a worse position in a few years' time.

It is my opinion that when a percentage is used in reference to an amount of money it is a deceptive term. There is nothing specific in saying that an official gets 10 per cent or 15 per cent. Sometimes the total amount is large, and sometimes it is very small. That is an extravagant way of calculating these amounts, and there should be a different way of doing it.

Even under this bill, creditors who have a mortgage or a judgment will still want interest on it. The state also will want interest. There will be some people who are clever enough to get a note from the debtor, on which they will want interest, but there are many creditors who get nothing of this kind.

It seems to me that in considering these matters we should think about deferring interest until the end of the proceedings. I do not like all these preferred claims. The whole system should be changed a little to make it less easy for some creditors to get on the inside with a preferred claim.

This week I have heard a lot about debt-free money—whatever that might mean—and I do not know a better place to start debt-free money than under the Bankruptcy Act. Debt-free money and bankruptcy go together. As things are, there might be no money left at the end of all these proceedings, and in that case the creditors will not get their interest. That would be salutary. If a

creditor is lucky enough to get his money he should feel pleased about it and he would probably forgive the interest. After a period of three years interest mounts up and it means a lot of money to a poor debtor. It is my opinion that if these proceedings could be streamlined so that the overhead is smaller and the red tape is less, and the whole thing conducted in a businesslike way, all persons involved would benefit. If the liquidation of an estate is involved, the sale should not be made in too much of a hurry, and a competent person should be placed in charge so that the most is obtained from it.

Bankruptcy is a terrible thing for business in Canada. It is bad for the citizen and it is bad for the country. Apparently, casualties in business are rife; we have been told here of the thousands of failures in Canada. I might mention that there are not many in the place from which I come. I cannot remember when we last had a real failure in my own community, and I think that is a wholesome situation.

It should be remembered that these unfortunate people who drive ahead without the exercise of wisdom are always going to get themselves into trouble, and if they keep on we shall always have bankruptcies, which are disastrous and mean a sorry end to any man in business. I have always taken the view that a businessman should so arrange his affairs that he shows progress with stability. That is the way we were taught to do things, and we have been quite successful.

It is my opinion that when the Bankruptcy Act comes before Parliament for revision there will be many matters to consider so far as the economy and business of Canada is concerned.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

PRIVATE BILL

ALLSTATE LIFE INSURANCE COMPANY OF CANADA—SECOND READING

Hon. Harry A. Willis, for Hon. Mr. Thorvaldson, moved the second reading of Bill S-12, to incorporate Allstate Life Insurance Company of Canada.

He said: Honourable senators, this is a bill to incorporate Allstate Life Insurance Company of Canada.

The Allstate Life Insurance Company in the United States is wholly owned by Sears-Roebuck & Company, and in an arrangement made some years ago between Sears-Roebuck & Company and Simpsons-Sears Limited there was an undertaking to have this company incorporated in Canada.

The late Senator Brunt moved in this house in 1960 the second reading of a bill to incorporate Allstate Insurance Company of Canada to sell accident, sickness and automobile insurance. Allstate Life Insurance Company of Canada will be empowered, if incorporated, to sell life insurance in Canada.

The Allstate Life Insurance Company of the United States received a licence to sell life insurance in Canada in August, 1960. It commenced business in Canada in June of 1961 and since that time has written over $15 million worth of business. I do not know that I can say more than that.

Two of the incorporators are very well known in this chamber. One is a prince of commerce in Canada, Edgar Gordon Burton, President of Robert Simpson and Company. Another is Norman Currie Urquhart who is an industrialist and philanthropist of Toronto, Past-President of the Canadian Red Cross Society and currently Chairman of the Toronto General Hospital Board of Trustees.

Naturally Simpsons-Sears will have an interest in this company doing business in Canada.

I think the bill will be fully explained if it is sent by this chamber to the Committee on Banking and Commerce. If there are any questions, I should be glad to answer them.

Hon. Mr. Reid: The honourable senator from Peel (Hon. Mr. Willis) mentioned Sears-Roebuck & Company operating in 1960. Did they sell life insurance in Canada without permission or did they get a licence to operate here?

Hon. Mr. Willis: What I said was that when the late Senator Brunt from Hanover introduced a bill in 1960, it was with regard to the Allstate Insurance Company operating in Canada at that time for the purpose of handling certain classes of insurance exclusive of life insurance.

Hon. Mr. Emerson: Does that mean there will be two companies, the Allstate Life Insurance Company and the Allstate Accident Insurance Company?

Hon. Mr. Willis: Yes.

Hon. Mr. Roebuck: Would the honourable senator give the names of the other directors? Are the two he mentioned to be directors of the company?

Hon. Mr. Willis: Yes, the two mentioned are to be directors. There are John Atkinson, insurance executive, and Gordon McCalla Graham, merchant. I do not know these men personally, and therefore I did not refer to

them. I know that if they are associated with the two men I mentioned earlier, they are very good men.

Hon. Mr. Drouin: What is the difference in the name of the two companies? I understood the honourable senator to say that one will be dealing with accident insurance and one with life insurance.

Hon. Mr. Willis: The Allstate Accident and Sickness Insurance is covered by one company, which is now in existence. This bill deals with the Allstate Life Insurance Company of Canada, which would be dealing exclusively in the sale of life insurance. They have booths in Simpsons-Sears stores all over Canada.

Hon. Mr. Drouin: Will one company own the other?

Hon. Mr. Willis: The life insurance company, which I am seeking to have incorporated now, will be owned as follows: 75 per cent by Sears-Roebuck in the United States and 25 per cent by Simpsons-Sears in Canada.

Hon. Mr. Emerson: In 1960 a company was granted authority to operate. Is that the same company? Is it the same ratio of shares?

Hon. Mr. Willis: I am sorry I cannot answer about the ratio of shares. I think it was the same ratio. I think it was intended that in Canada Simpsons-Sears would own 50 per cent of this company, but the shares have increased so much that it is impossible to acquire enough money to buy a 50 per cent interest.

Hon. Mr. Isnor: May I inquire as to whether they will open their own offices or do business as the other company does, through a department store?

Hon. Mr. Willis: I think they will do business in both ways. They will have, as they have now, agents on the road throughout Canada; but also, for the convenience of the public, I think they will establish agencies in department stores. The head office will be in Toronto and from there they will operate agencies throughout the country.

Hon. Mr. Isnor: Am I correct in saying that American interests will have control to the extent of 75 per cent?

Hon. Mr. Willis: That is correct.

Hon. Mr. Isnor: Then it is an American company.

Hon. Mr. Willis: Well, we now have the situation where it is an all-American company incorporated in Illinois and doing business in Canada under licence. What we ask is to have it incorporated as a Canadian company with some Canadian money in it, whereas there is none in it now.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Honourable Mr. Willis, bill referred to the Standing Committee on Banking and Commerce.

DIVORCE

BILLS—SECOND READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-306, for the relief of Georgiana Brasseur.

Bill SD-307, for the relief of Jean Ilene Buckley.

Bill SD-308, for the relief of Cecile Caille.

Bill SD-309, for the relief of Therese Beaudoin.

Bill SD-310, for the relief of Kenneth James Graham Tait.

Bill SD-311, for the relief of Gwendolyn Grace Lanctot.

Bill SD-312, for the relief of Marie Jacqueline Dusablon.

Bill SD-313, for the relief of Jean Eileen Leath.

Bill SD-314, for the relief of Helen Oulton.

Bill SD-315, for the relief of Lucien DeCoeur.

Bill SD-316, for the relief of Donald Beakes.

Bill SD-317, for the relief of John Matthew Hardman Pickford.

Bill SD-318, for the relief of Lloyd Carlton Willard.

Bill SD-319, for the relief of Joseph Paul Alderic Belisle.

Bill SD-320, for the relief of Frances Sheila Madden.

Bill SD-321, for the relief of Aurea Pothier.

Bill SD-322, for the relief of Stella Eileen Menahem.

Bill SD-323, for the relief of Joseph Luc Roger Pelletier.

Bill SD-324, for the relief of Collin Mills Campbell.

Bill SD-325, for the relief of Louisa Emily Elizabeth Porter.

Bill SD-326, for the relief of Evelyne Millette.

Bill SD-327, for the relief of Gabriel Fortin.

Bill SD-328, for the relief of Leo Rene Maranda.

Bill SD-329, for the relief of Christine Aube.

Bill SD-330, for the relief of Teresa Lesiuk.

Bill SD-331, for the relief of Jacqueline Elfstrom.

Bill SD-332, for the relief of Claude Gerard Montpetit.

Bill SD-333, for the relief of Ellen Smolar.

Bill SD-334, for the relief of Marie Antoinette Germaine Mouton.

Bill SD-335, for the relief of Francis John Nobbs.

Bill SD-336, for the relief of Marie Henriette Antoinette Marguerite Bloodworth Pringle.

Bill SD-337, for the relief of Molly Krakower.

Bill SD-338, for the relief of Anita Marie Virginie Leroux.

Bill SD-339, for the relief of Betty Naimovitch, otherwise known as Betty Naimo.

Bill SD-340, for the relief of Barbara Jean Sonia Lowther.

Bill SD-341, for the relief of Judith Joy Spector.

Bill SD-342, for the relief of Claude Lefebvre.

Bill SD-343, for the relief of Margaret Kathleen Lister.

Bill SD-344, for the relief of Arthur Bruce Hann.

Bill SD-345, for the relief of Leonard Greenfield.

Bill SD-346, for the relief of Anita Klaiman.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce on Bill S-8, respecting The Trustee Board of The Presbyterian Church in Canada, which was presented yesterday.

Hon. John J. Kinley moved adoption of the report.

Report adopted.

THIRD READING

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

Hon. Mr. Kinley: With leave, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

The Senate adjourned until Tuesday, November 13, at 8 p.m.

THE SENATE

Tuesday, November 13, 1962

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

Prayers.

NEW SENATOR

The Hon. the Speaker informed the Senate that the Clerk had received a certificate from the Secretary of State of Canada showing that The Honourable Jacques Flynn, P.C., had been summoned to the Senate.

NEW SENATOR INTRODUCED

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

The following honourable senator was introduced; presented Her Majesty's writ of summons, which was read by the Clerk Assistant; took and subscribed the oath prescribed by law, which was administered by the Clerk, and was seated:

Hon. Jacques Flynn, P.C., of Quebec City, in the province of Quebec, introduced between Hon. Mr. Brooks and Hon. Mr. Beaubien (Bedford).

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

PRIVATE BILLS

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—FIRST READING

Hon. Harry A. Willis presented Bill S-13, to incorporate the Baptist Convention of Ontario and Quebec.

Bill read first time.

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

Motion agreed to.

THE CHRISTIAN BROTHERS OF IRELAND IN CANADA—THIRD READING

Hon. J. Campbell Haig, for Hon. John G. Higgins, moved the third reading of Bill S-7, to incorporate The Christian Brothers of Ireland in Canada.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-306, for the relief of Georgiana Brasseur.

Bill SD-307, for the relief of Jean Ilene Buckley.

Bill SD-308, for the relief of Cecile Caille.

Bill SD-309, for the relief of Therese Beaudoin.

Bill SD-310, for the relief of Kenneth James Graham Tait.

Bill SD-311, for the relief of Gwendolyn Grace Lanctot.

Bill SD-312, for the relief of Marie Jacqueline Dusablon.

Bill SD-313, for the relief of Jean Eileen Leath.

Bill SD-314, for the relief of Helen Oulton.

Bill SD-315, for the relief of Lucien DeCoeur.

Bill SD-316, for the relief of Donald Beakes.

Bill SD-317, for the relief of John Matthew Hardman Pickford.

Bill SD-318, for the relief of Lloyd Carlton Willard.

Bill SD-319, for the relief of Joseph Paul Alderic Belisle.

Bill SD-320, for the relief of Frances Sheila Madden.

Bill SD-321, for the relief of Aurea Pothier.

Bill SD-322, for the relief of Stella Eileen Menahem.

Bill SD-323, for the relief of Joseph Luc Roger Pelletier.

Bill SD-324, for the relief of Collin Mills Campbell.

Bill SD-325, for the relief of Louisa Emily Elizabeth Porter.

Bill SD-326, for the relief of Evelyne Millette.

Bill SD-327, for the relief of Gabriel Fortin.

Bill SD-328, for the relief of Leo Rene Maranda.

Bill SD-329, for the relief of Christine Aube.

Bill SD-330, for the relief of Teresa Lesiuk.

Bill SD-331, for the relief of Jacqueline Elfstrom.

Bill SD-332, for the relief of Claude Gerard Montpetit.

Bill SD-333, for the relief of Ellen Smolar.

Bill SD-334, for the relief of Marie Antoinette Germaine Mouton.

Bill SD-335, for the relief of Francis John Nobbs.

Bill SD-336, for the relief of Marie Henriette Antoinette Marguerite Bloodworth Pringle.

Bill SD-337, for the relief of Molly Krakower.

Bill SD-338, for the relief of Anita Marie Virginie Leroux.

Bill SD-339, for the relief of Betty Naimovitch, otherwise known as Betty Naimo.

Bill SD-340, for the relief of Barbara Jean Sonia Lowther.

Bill SD-341, for the relief of Judith Joy Spector.

Bill SD-342, for the relief of Claude Lefebvre.

Bill SD-343, for the relief of Margaret Kathleen Lister.

Bill SD-344, for the relief of Arthur Bruce Hann.

Bill SD-345, for the relief of Leonard Greenfield.

Bill SD-346, for the relief of Anita Klaiman.

Motion agreed to and bills read third time and passed, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, November 8, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Lionel Choquette: Honourable senators, I am glad to be the first to have the opportunity this evening to welcome our new senator, the Honourable Jacques Flynn, to this chamber. Because of his considerable experience as a former Cabinet Minister, I know he will make an excellent contribution to the Canadian Senate.

(Translation):

On behalf of all the honourable senators, whether they are present or absent, and whether they are Conservatives or Liberals, I welcome the new senator.

(Text):

In rising to speak on this motion for an address in reply to the Speech from the Throne may I, before proceeding to the substance of my remarks, make reference to some of the important changes which have taken place in the organization of this chamber. My first words must be of congratulation and welcome to His Honour the Speaker. Senator White is a man of vast experience in the ways of Parliament. He was first elected to the House of Commons in 1940, and re-elected in the general elections of 1945, 1949, 1953 and 1957. This gives a clear and concise picture of what his constituents thought of him.

In 1957 he was the first appointee to the Senate by the newly-elected administration, and events of the time since have shown that the choice was a good one. Popular with his colleagues on both sides of the house, our new Speaker will, I am confident, bring further distinction to his high office. We look forward, Sir, to continuing the important work of the Senate with you as its presiding officer.

Having said that, honourable senators, may I add my word of appreciation of the splendid contribution made to the Senate by his predecessor in office, the Honourable Mark Drouin. I have said on previous occasions that Senator Drouin, as presiding officer of this body, constantly added lustre both to his office and to the Senate, whether he was presiding over our deliberations or representing us beyond these walls during two successive parliaments. Accordingly, we all rejoice in his recent appointment to the Privy Council of Canada. Let me be one of the first to refer to him as the Honourable Mark Drouin, P.C.

Honourable senators, I do not wish this tribute to lapse into an obituary. Senator Drouin, young in years and in spirit, is still with us in the Senate, and we look forward to many years of co-operation with him in the pursuit of our constitutional duties.

May I refer next to the newly-appointed Leader of the Government in the Senate, the Honourable Alfred Brooks, P.C., who is unusually rich in parliamentary experience. He was elected to the Legislature of the province of New Brunswick in 1925. He was first elected to the House of Commons in 1935 and was re-elected at every subsequent general election until his appointment to the Senate in 1960. Needless to say, and as all honourable senators know, the honourable Leader was a most distinguished member of the cabinet as Minister of Veterans Affairs from 1957 to 1960. He is thus highly experienced in the art of piloting legislation through Parliament and, in addition, is a man of uncommon courtesy and patience. His leadership of this house will be, I am sure, in the highest traditions of this important office.

Honourable senators, I cannot let this opportunity pass without paying a much-deserved tribute to Senator Brooks' predecessor in office, the Honourable Walter M. Aseltine, P.C. Senator Aseltine's period of service as Leader of the Government was not an easy one, but he proceeded about his duties in a co-operative, efficient and eminently fair manner which won the admiration of all senators on both sides of this house. He

was not spectacular. He did not pound the table to get things done. He incurred no enmities. The Senate and the country itself owes him a considerable debt of gratitude, and this is reflected in the esteem and affectionate regard in which he is held.

Here again, the tribute should not be allowed to lapse into an obituary. Senator Aseltine is very much with us. His active mind, breadth of view and wise counsel will continue to afford the Senate much aid and comfort in the years to come.

Honourable senators, change is part of the nature of things and we must accept it realistically, but everything, I am glad to say, has not changed. There has been no change in the leadership of the Opposition in this house. The Honourable W. Ross Macdonald, P.C., like Tennyson's brook, seemingly goes on forever. I believe that those on the other side of the chamber and, indeed all honourable senators, have been singularly fortunate in having as Leader of the Opposition a man of such quality of mind and heart. We look forward to the future with anticipation in the knowledge that, though skirmishes may occur, the proceedings will be conducted on the high level which has characterized the deliberations of the Senate in the past.

Honourable senators, having said a number of nice things about the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) may I add one more. I wish to say that I agreed with everything he said in his lengthy speech at the beginning of the session, except in his expressions of criticism of the Government and in his pessimism about the fate of the nation. That is to say, I agreed with about 5 per cent of what he said.

There is no need to answer him in either kind or detail. That has been done most effectively by the honourable Leader of the Government (Hon. Mr. Brooks) and other speakers on this side of the chamber. May I simply say that I retain the utmost confidence in the future of this country, in the good faith and capacity of the present administration, and in the leadership of the Right Honourable John Diefenbaker. Given a fair opportunity, the Government wil overcome the present temporary exchange difficulties, as, indeed, it is overcoming them now, and will lead the country into the economic abundance which is its manifest destiny. May I add this, that I interpret the results of the general election in a way quite different from the interpretation placed upon them by the honourable Leader of the Opposition. The people may well have felt that the Government had too great a majority, an "embarrassment of riches," and as a consequence the pendulum swung further in the other direction than the electorate really intended. They re-elected the Government, but with a minority of members. This was a slight miscalculation that the electorate is not likely to make again.

Hon. Mr. Hayden: That is right.

Hon. Mr. Choquette: They did not elect a Liberal government, but they came much closer to it than they intended.

Hon. Mr. Hayden: That will be corrected too.

Hon. Mr. Choquette: Honourable senators, history has a way of repeating itself. Mr. Diefenbaker had a minority Government in 1957. The people rectified that in 1958. Mr. Diefenbaker has a minority government, though a stronger one, now; and in the next general election the people will rectify this in the same way as before, by re-electing the present administration with a clear working majority.

It seems to me that the Prime Minister—and indeed the Government which he heads—has gained added prestige throughout the country by the manner in which he has conducted public affairs since the opening of the present Parliament. The difficulties with which he is beset are manifest to everyone, and I venture to suggest that the party which he leads, and to which I belong, is the only one with a clean bill of health, judging from parliamentary performances to date.

Honourable senators, while I am still in a reflective mood, may I with the deepest respect, make mention of His Excellency Major General Georges P. Vanier, D.S.O., Governor General of Canada, and of the Right Honourable Vincent Massey, his immediate predecessor as Her Majesty's personal representative in Canada. I am sure that we all have been impressed by the dignified and charming manner in which the new Governor General, ever since his appointment by Her Majesty, has carried on his official duties; and we have all been equally impressed and charmed by the gracious chatelaine who is by his side. Rideau Hall is in distinguished hands and Canada is indeed well served.

I am moved also to pay tribute to his immediate predecessor, the Right Honourable Vincent Massey who, after a lifetime of service to his country, became our first native-born Governor General of Canada and who served us in that capacity with great distinction for almost a decade of our history.

Recently a native-born Canadian of French speaking origin has succeeded one of English speaking origin in the high office of Governor General. My object in mentioning this is not

to speculate on whether or not a precedent is being established, to the effect that Canadians of French and English origin are invariably to succeed each other in that high office. The history of Canada is as yet far too short for any far-reaching conclusions to be drawn in this regard. It is clear, however, that we are capable of producing, within the boundaries of Canada, persons of whatever racial origin who have the accomplishments and talents necessary to act with dignity and ability as the Queen's personal representative in Canada.

Honourable senators, I propose to take advantage of the latitude which is traditionally accorded during this debate. Accordingly, I shall not speak at length of all matters adverted to in the Speech from the Throne itself. These matters will come before us seriatim as the legislative program proceeds, and as the details come before us we will be better able to deal with them at that time. I feel constrained to comment, however briefly, on several of the matters touched upon in the Speech from the Throne. The first of these is the matter of what has been called, rather inaccurately, the "repatriation" of the Constitution of Canada.

At present, in respect of matters which are of exclusive concern to the provinces, or of common concern to the provinces and the federal authority, any amendment to the Constitution of Canada must be enacted in the same way as the British North America Act was itself enacted, namely, by an Act of the Parliament of the United Kingdom. It is true that, by an amendment to the British North America Act in 1949, constitutional amendments in matters of purely federal concern may be dealt with now by the Canadian Parliament without reference either to the provinces or to Westminster. It is equally true that the British Parliament, under established practice, will amend the Canadian Constitution only if it is requested to do so by an address from both houses of the Parliament of Canada, and that it will invariably do so on receipt of such a request. The unpalatable fact remains, that in all matters of provincial or federal-provincial concern—other than the revision of provincial constitutions—the United Kingdom Parliament is the only body with legal power to amend the Constitution of Canada.

Some have said that the situation is intolerable. I would not wish to go that far, since we have in fact tolerated it for almost a hundred years. However, I do suggest that it is unpalatable to most Canadians. It is also indicative of political immaturity and is entirely misleading abroad, except to the few who have a specialized knowledge of our constitutional machinery. Furthermore, there is every evidence that the United Kingdom Parliament would willingly, and indeed gladly, forego its inglorious role of mere "recorder" in relation to Canadian constitutional amendment.

The St. Laurent administration took an initiative in this regard some years ago: this was commendable enough, but the conversations ended in frustration and were not resumed. I am delighted that the matter was not allowed to rest there, and I welcome, as I am sure all honourable senators do, the renewed and enthusiastic initiative exhibited by the present Government. I hope that any remaining differences of view—and I understand these are now very few—will be reconciled in a spirit of "sweet reasonableness", and that our Constitution will, in its entirety, soon be domiciled in Canada.

Perhaps I should now deal jointly with the questions of a distinctive Canadian flag and a national anthem for Canada. Some may say that we are getting on quite nicely, thank you, that the demand for these things is impractical or idealistic, and that their realization would, in any event, "butter no parsnips". On the other hand, there are very few countries in the world that lack these indicia of national identity; and it seems to me evident that Canada, having in mind its growing prestige and boundless future, should not much longer be without these important symbols. It is true that with regard to at least one of these projects—that of a national flag—efforts were made by the previous administration to reach an agreement on an acceptable design, but these efforts also ended in frustration. However, as I remarked earlier in respect of constitutional amendment, I do not believe that a philosophy of futility should be adopted in respect of any of these projects. The search for a solution or an accommodation should not be abandoned, but pursued with renewed vigour and determination.

In so saying, I must introduce a caveat. The Fathers of Confederation had, it is true, an ideal of Canadian unity, but it was an ideal of unity in diversity. The proud complex which is now Canada would not have come into being without the fullest assurance that the traditions, cultures and special interests of the founding provinces, and particularly those of the two founding races, would not be jeopardized but allowed to reach full flower. This may be called the "grand strategy" of Confederation. We must not forget this strategy, or fail to remember that as times and conditions change it will be necessary to change our tactics so that they will be in conformity therewith.

Accordingly, the projects for a national flag and anthem cannot, or at any rate should not, come into fruition unless the end products are acceptable to an overwhelming body of opinion from all parts of Canada, and in particular to both French-speaking and English-speaking Canadians. To regard this end as impossible is to take an unduly dim view of the ingenuity and viability of the citizens of Canada. For one, I cannot believe that the difficulties with which we are confronted in the years immediately preceding 1967 are more formidable than those with which the authors of Confederation were faced in the years immediately preceding 1867.

I would not, perhaps, be so exercised by these three problems were it not for the fact that Canada will shortly celebrate one hundred years of Confederation. Again, I welcome the initiative of the present Government in making appropriate and early plans for the celebration of this historic event. And still I wonder whether the erection of physical structures or monuments, the holding of parades, or the promotion of spectaculars would be enough to mark the occasion suitably. Could we not, in the time remaining, reach substantial agreement in the three directions I have mentioned? Indeed, could not these three happy eventualities be timed to come into effect on the very centenary of Confederation?

In conclusion, honourable senators, may I make brief reference to the kind and encouraging remarks which have been made concerning the fact that I am now sitting at the immediate right of the Leader of the Government (Hon. Mr. Brooks). I am now in the place formerly occupied by the late Senator Bill Brunt. The deserved tributes which have already been paid to his memory indicate the great difficulty anyone would have in following in his competent footsteps. All I can say, in expressing my thanks for your felicitations, is that I will do my utmost to carry out my assigned tasks in a manner acceptable to all honourable senators.

On motion of Hon. Mr. Smith (Queens-Shelburne), debate adjourned.

DIVORCE

BILLS—SECOND READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-347, for the relief of Fany Rubenstein.

Bill SD-348, for the relief of Marilyn Jean Alie.

Bill SD-349, for the relief of Gertraud Holzer.

Bill SD-350, for the relief of Karl Heinz Schulte.

Bill SD-351, for the relief of Shirley Millar Neal.

Bill SD-352, for the relief of Wilma Karls.

Bill SD-353, for the relief of Philip Dalgleish.

Bill SD-354, for the relief of Marie-Paule Jacqueline Lorette Champagne.

Bill SD-355, for the relief of George Cecil Horton.

Bill SD-356, for the relief of Anne Marion Prentice.

Bill SD-357, for the relief of Ezreh Harry Herscovitch.

Bill SD-358, for the relief of Ella Jane Lyon.

Bill SD-359, for the relief of Olga Rapoport.

Bill SD-360, for the relief of Susan Gabor.

Bill SD-361, for the relief of Minnie Lichtenstein.

Bill SD-362, for the relief of Amira Wilson.

Bill SD-363, for the relief of Sybil Lillian Lupovich.

Bill SD-364, for the relief of John Joseph Laflamme.

Bill SD-365, for the relief of Doris Elinor Roberts.

Bill SD-366, for the relief of David Filmore Sadler.

Bill SD-367, for the relief of Patricia Hilton.

Bill SD-368, for the relief of Patricia Ann Marguerite Allaway.

Bill SD-369, for the relief of Irene Elizabeth Malloch.

Bill SD-370, for the relief of Mihaly Szakacs.

Bill SD-371, for the relief of Dorothy Alice Usher.

Bill SD-372, for the relief of John Elijah Marshalluk.

Bill SD-373, for the relief of Rhoda Lipschutz.

Bill SD-374, for the relief of Andre Durocher.

Bill SD-375, for the relief of Catherine Harper.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 379 to 408, which were presented on Thursday, November 8.

On motion of Hon. Mr. Roebuck, chairman of the committee, reports adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 14, 1962

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

Prayers.

DOCUMENT TABLED

Hon. A. J. Brooks tabled:

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to September 30, 1962. (English and French texts).

PRIVATE BILLS

MERIT INSURANCE COMPANY—FIRST READING

Hon. Stanley S. McKeen, for Hon. Paul H. Bouffard, presented Bill S-14, respecting Merit Insurance Company.

Bill read first time.

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

Motion agreed to.

THE PHARMACY EXAMINING BOARD OF CANADA—FIRST READING

Hon. John J. Kinley presented Bill S-15, to incorporate The Pharmacy Examining Board of Canada.

Bill read first time.

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

Hon. Mr. Kinley: Honourable senators, I should like to have consideration on second reading of this bill, which I introduce upon request, deferred until Thursday, November 29 next. The measure has wide application, and the delay in giving it second reading will afford the opportunity of distributing copies of the bill to those interested throughout the country.

Hon. Mr. Kinley moved that the bill be placed on the Orders of the Day for second reading on Thursday, November 29.

Motion agreed to.

THE SOVEREIGN LIFE ASSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-11, respecting The Sovereign Life Assurance Company of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Gunnar S. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ALLSTATE LIFE INSURANCE COMPANY OF CANADA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-12, to incorporate Allstate Life Insurance Company of Canada:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-12, to incorporate Allstate Life Insurance Company of Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BANKRUPTCY ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-2, to amend the Bankruptcy Act:

> Your committee recommend that authority be granted for the printing of 1,000 copies in English and 300 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be adopted now.

Report adopted.

DIVORCE

BILLS—THIRD READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-347, for the relief of Fany Rubenstein.

Bill SD-348, for the relief of Marilyn Jean Alie.

Bill SD-349, for the relief of Gertraud Holzer.

Bill SD-350, for the relief of Karl Heinz Schulte.

Bill SD-351, for the relief of Shirley Millar Neal.

Bill SD-352, for the relief of Wilma Karls.

Bill SD-353, for the relief of Philip Dalgleish.

Bill SD-354, for the relief of Marie-Paule Jacqueline Lorette Champagne.

Bill SD-355, for the relief of George Cecil Horton.

Bill SD-356, for the relief of Anne Marion Prentice.

Bill SD-357, for the relief of Ezreh Harry Herscovitch.

Bill SD-358, for the relief of Ella Jane Lyon.

Bill SD-359, for the relief of Olga Rapoport.

Bill SD-360, for the relief of Susan Gabor.

Bill SD-361, for the relief of Minnie Lichtenstein.

Bill SD-362, for the relief of Amira Wilson.

Bill SD-363, for the relief of Sybil Lillian Lupovich.

Bill SD-364, for the relief of John Joseph Laflamme.

Bill SD-365, for the relief of Doris Elinor Roberts.

Bill SD-366, for the relief of David Filmore Sadler.

Bill SD-367, for the relief of Patricia Hilton.

Bill SD-368, for the relief of Patricia Ann Marguerite Allaway.

Bill SD-369, for the relief of Irene Elizabeth Malloch.

Bill SD-370, for the relief of Mihaly Szakacs.

Bill SD-371, for the relief of Dorothy Alice Usher.

Bill SD-372, for the relief of John Elijah Marshalluk.

Bill SD-373, for the relief of Rhoda Lipschutz.

Bill SD-374, for the relief of Andre Durocher.

Bill SD-375, for the relief of Catherine Harper.

Motion agreed to and bills read 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. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Donald Smith: Honourable senators, in speaking in this debate I should like my first words to be of congratulations on the appointment of His Honour the Speaker. As most honourable senators know, our new Speaker and I are old friends, and it seems to me that we must be good friends because we wear well. As time goes on and we are given more opportunity of knowing each other better the result seems to be a closer friendship.

I have had His Honour with me as a travelling companion. A test of real friendship used to be whether a man was a good enough friend to take on a fishing trip. I believe the modern version of that, in this age of jet travel, is whether he is a good enough friend to take on a trip around the world. And I have found him to be just that kind of friend.

Most of us know that His Honour the Speaker is a veteran of the First World War. He enlisted as a teenager. He and I sat quite close together in the House of Commons some years ago, and although we were not on the same side of politics we happened to be on the same side of the house. Those were the days of the Liberal rump, and I got to know him fairly well. My observation was that he was a very fair Conservative. When he spoke in the house he spoke with moderation and he always had something to say. That was particularly true when he was speaking on veterans' affairs, a subject which he approached and dealt with most effectively.

As was pointed out yesterday by my friend the honourable senator from Ottawa East

(Hon. Mr. Choquette), His Honour the Speaker is the fortunate possessor of a most charming chatelaine who, we know, adds grace wherever she goes to the dignity which he demonstrates in the performance of his duty.

I should like to add just one more expression of esteem of our new Speaker. He is a modest man and I would not wish to embarrass him, but there are some things which should be said and placed on the record. Perhaps the most remarkable evidence of his desire to serve us and the high office he holds is the diligent effort he is making in the use of the French language. I have heard tributes paid to him—two of them only today—by some of our French-speaking colleagues regarding his efforts in this regard. All of us have noted that on two of our three sitting days a week, His Honour reads opening prayers in the French language. Some may have wondered why he does so, for we recognize that it would be much easier for him to do otherwise. I am sure many of our colleagues are appreciative of his efforts to improve his facility in *la belle langue;* and I think that is why he prefers to read the French version of the prayers on two of the three sitting days.

Honourable senators, I know this debate is a freewheeling one, but I do not expect to wheel very far or very fast today. I should like, however, to take the opportunity of saying a word or two about the new Leader of the Government in the Senate, the honourable senator from Royal (Hon. Mr. Brooks). Senator Brooks is another old friend of mine from House of Commons days and one whose name was familiar to many of us before we appeared on the Ottawa scene. He has joined our ranks now, and after a very short career in this chamber he has attained a command position. May I say to him that his personal friends rejoice in his good fortune of recent years. After twenty-two years of discouragement in opposition the opportunity came to him to learn for himself just how difficult a task it is—and I am serious about this—to govern this country. It is wonderful that at least for a short period in his career he has the opportunity to be positive rather than negative in discussing public matters.

Honourable senators, I understand that November 14 is a particular date in the life of the honourable Leader. May I be the first one publicily to wish him many happy returns of the day.

I would be remiss if I did not say something concerning the honourable Leader's predecessor in office, Honourable Walter M. Aseltine. I hope he will enjoy his release from the worry of the high office he held for the past few sessions. I wish to pay him a tribute for the manner in which he conducted the business of the house while he was the Leader of the Government in the Senate. He was efficient in the Government's interests, but he was also kind and considerate to all of us in this chamber during his tenure of office. I have personal remembrances of those qualities, which I shall always retain.

Honourable senators, I also wish to make reference to the mover (Hon. Mr. Haig) and the seconder (Hon. Mr. Fournier, Madawaska-Restigouche) of the address in reply to the Speech from the Throne. Traditionally, the mover and seconder expect and do receive the congratulations of other senators who speak in this debate. However, realizing that the seconder is a fellow Maritimer, I extend to him first my warm congratulations. I feel warm-hearted to all Maritimers. I do not attach too much significance to the fact that I put the seconder first. I am particularly glad to make reference to the mover of the address (Hon. Mr. Haig), because he is the son of one who was with us for a long time and whom we shall always miss. The speeches of the mover and seconder were good ones for several reasons, perhaps not the least being their brevity, a quality which is always popular in this or any other chamber, perhaps including the church one attends. These speakers were moderate in the language they employed as well as in their choice of material, which was rather appreciated by those of us who were expecting a scalding.

I should also like to congratulate the newly-appointed senators, and wish them all well. Again I must single out two of them, and for the same reasons I singled out another a few moments ago. I make special reference and extend a special welcome to the two new senators from Nova Scotia, my native province. They are good replacements.

One of these, the honourable senator from Antigonish-Guysborough (Hon. Mr. O'Leary), is the replacement for the late Senator Felix Quinn, who was rather regarded as the traditional spokesman for the Irish, at least of Nova Scotia, in this chamber. But the senator from Antigonish-Guysborough will have to share the title of spokesman for the Irish with another in this chamber. I therefore expect that on next St. Patrick's Day we may be doubly blessed.

The other new senator from Nova Scotia, Honourable Mr. Welch from Kings, can be regarded as a competent replacement for the late Senator John A. McDonald, who was here for many years, and those of us from Nova Scotia who knew him loved and respected him. He spoke in this chamber with great

knowledge and understanding on agricultural subjects. His replacement as I say, is a good one. We shall expect to hear from him.

Honourable senators, there have been quite a number of speeches so far in this debate. I think all were skilful and purposeful. Looking back on them I perhaps might be forgiven if I regard some as being considered partisan. I am not against partisanship, so I welcome that feature. There are quite a few other speeches which had some political overtones, and therefore may be regarded as in the category of political speeches. But, after all, this is a political body and there is nothing wrong with being political.

When I finish my speech today I would rather hope that what I am about to say will be regarded as being political rather than partisan. I am sure my honourable friends opposite will not expect me to join in the chorus, in singing the songs of praise, expressing almost infallibility in the Prime Minister and his Government. They can understand that. The lyrics I am about to sing will no doubt be inharmonious with the several stanzas of the chorus we have already heard.

This afternoon I should like, no matter how it is regarded or however it might be received, to direct your attention to the paragraph in the Speech from the Throne which makes reference to the Atlantic provinces and their problems. This is the paragraph to which I refer:

> You will be asked to authorize the establishment of an Atlantic Development Board to advise on measures and projects that will promote the economic development of the Atlantic region of Canada.

Particularly for the benefit of the newly-summoned senators, and of course I have no copyright on my own speeches, I would direct attention to and ask them to get copies of our *Hansard* record of the several speeches I have made in this chamber since I came here a few years ago. I would refer the new senators to the speech which I made on January 29, 1959 on the address debate, and to some remarks which I made on June 21, 1961 when I spoke on the report of the Special Committee on Manpower.

I note from *Hansard* that in 1959 I referred to the historical background of the problems of the Atlantic provinces, and outlined suggestions which flowed from studies which had been made of those problems. The record is in some detail and I do not want to repeat myself today.

In the debate on the report of the Special Committee on Manpower, in 1961, I placed on record the extent of unemployment and under-employment in the Atlantic provinces, pointing out that the average personal income in that area was 50 per cent lower than in some provinces and that the employment index in that area was relatively low as compared to the national index. A lot of employment statistics were set out in that speech. Once in a while I find myself reading my own speeches—at least I can compliment myself, if no one else does—and in this instance I must say I am glad I bothered to read that old material and put it into consolidated form in my mind.

My reason for rising today is to point out that in the past few years, and since I last spoke on this subject, there has been no change in the employment picture of the Atlantic region. Unemployment in the Atlantic provinces is still double the national average. Annually, it now averages about 10 per cent as compared with a figure of between five and six per cent over the last few years. The present rate of employment, when the seasonal factor is adjusted, is about 10 per cent. Let us for a moment compare that with the situation in what is regarded as the wealthiest province, Ontario, where the corresponding figure has been an average of 4.2 per cent over the last few years. And in wintertime unemployment in the Atlantic provinces gets worse. We expect it to be worse in that area when the harbours are frozen over, and the woods in the northern portions are clogged with snow and it is hard to get men to go into the bush even if there is wood to be cut and marketed. We cannot blame them for that.

The percentage of unemployed in wintertime, ranging from 18 per cent to 20 per cent of our labour force is too high. We are not all fishermen by a long shot, and we are not all woods workers. There is chronic unemployment in the Atlantic area, and in the wintertime it becomes a very serious matter socially and economically.

Our fundamental problems in the Atlantic region remain the same—in fact, conditions in some parts of our provinces have worsened. I do not wish to speak about those today. Rather, I would hope that before this debate is over we would have some information on the prospects in the coal mining industry and in the steel making industry brought to the attention of this body by someone who is well versed in that subject.

I can only say in passing that I believe the unemployment in the coal industry has about levelled off, and I do not expect that it is going to be much worse, judging by the encouraging reports on prospects made recently by the company and by other sources who are examining into the coal industry.

Let us hope that these prospects turn out to be as good as they now seem to be. But even

if there is a levelling off in the coal industry and the steel industry, we still have serious problems. When I mention the fact that we have high unemployment in these areas, it does not mean to say that business is bad. I do not think it is bad in any of the Atlantic provinces. The point is that so much of our employment and business is related to service industries. Service industries benefit from the spending that goes on in that area, and we should examine what kind of spending that is. I have examined this subject in some detail on other occasions.

In the first place, a lot of the spending which makes business good in the Atlantic area is based on defence expenditures and transfer payments—transfer payments being the sum total of social security payments that flow into the Atlantic provinces, just as they do into other provinces. Defence expenditures are very important to us, because a large part of that spending is a basis for business being good. I put a question on the Order Paper a year or so ago which resulted in the disclosure of information that was rather startling to me. I just have the figures for my own province in mind. The total civilian payroll in connection with defence expenditures in Nova Scotia is equal to the combined value of the products of the sea, land and forests. That fact is most impressive to me.

It does not make sense for us to believe that we are always going to have such defence expenditures, that we shall always be preparing to fight the kind of war that will require that kind of defence expenditure, and that all those army, navy and air force personnel, with their wives and families, are going to be living in Nova Scotia, spending money and providing thereby the basis for our economy and good business. We have to look a little further ahead. If we did not, I believe we would see the Honourable Howard Green sitting in this chamber some day, because he would be one of the most disappointed men in the world. No matter who may be his successor in the Department of External Affairs, for years to come the search for peace will continue. Some day we will find world peace, and it will have its effect on the problems of Nova Scotia.

I am not going to labour this point, for I feel strongly about it and am apt to become too involved. To me it does not seem right that payments from the public treasury should play such a major role in the Atlantic provinces' economy. What our people should be basing their good business on is full-time and not seasonal jobs for greater numbers. Let us get rid of this under-employment, and clean up a lot of the chronic unemployment which, although spotty, is serious and exists in a large measure.

I would not want any honourable senator, on either side of the house, to think for one moment that nothing has been done or is being done to help the Atlantic provinces tackle their problems. Some attempt has been made to scratch the surface. What has been done has been just that, a mere scratch on the surface. But no one can deny that what has been done has also been necessary and good.

To exemplify my desire to be fair in this summary of our position, I believe some mention should be made of the special grants which go to provincial governments in the Atlantic provinces. They have helped to maintain the service at a much higher level than would have been the case had they not been available. However, I have some criticism of these special grants which have flowed into at least my home province of Nova Scotia.

It is no fault of the federal Government, but it seems to me that the provincial administration in Nova Scotia has made an error in choosing to channel a large part of the newly-found financial resources into such projects as the construction of turnpike type highways in areas where the traffic far from justifies such large expenditures. I could take any honourable senator into Nova Scotia, and he could observe with me what I saw on several occasions last summer—and I did not do this as a test. We could drive a distance of 40 miles out on that highway and back, and I would give him $5 for every car we met over 10 if he would give me $5 for every car we met under 10. And yet that highway is high, wide and handsome. I believe it was an awful mistake for us to make such large expenditures of that particular nature. The people served by the type of highway I have in mind expect and need year-round paved highways, but as they drive over these high, wide and handsome straight stretches, at least some of them must wish that part of the money so expended could have been allocated to the ever-increasing education costs which are now an almost insupportable burden on the municipal taxpayers, particularly those in rural areas. These same taxpayers must view with dismay the substantial resources allocated to the construction of a palatial palace for the administration of the Nova Scotia Labour Commission. I use that phrase because it was used by a friend to describe the new administration building to me before he took me to the north end of Halifax to show it to me.

Hon. Mr. Connolly (Halifax North): It is a lovely building.

Hon. Mr. Smith (Queens-Shelburne): Yes, it is a lovely building, but I should have thought they would have preferred to build technical schools at a faster rate than they are building them at present. These are provincial government decisions, and perhaps I may be considered out of order in discussing them. It is just a matter of judgment, but I think their judgment has been in error.

Along the same lines, another thing that disturbs me is that a lot of this new money is being spent on the building of new retail liquor outlets all over Nova Scotia.

Hon. Mr. Farris: "Outlets" or "inlets"?

Hon. Mr. Smith (Queens-Shelburne): "Outlets." The R.C.M.P. ruined our "inlets".

It is fine for Halifax to have a modern, expensive, liquor commission administration building. Perhaps it is pleasant for tourists, and for my friends who come down to visit me, that they should be able to drive up to a beautiful building to buy liquor, wines, beer, and so on. But the commission is buying an expensive property right in the heart of my town. They are tearing down a fine, old huge residence, which must have cost a lot of money, and they are going to have a big building with all modern conveniences and an up-to-date front to attract people to buy liquor. It is necessary to have retail outlets; we have a system that permits that kind of sale, but I say again that I think it is unwise to spend money in that way at this particular time. I cannot agree to giving priority for that kind of spending.

I want to say a word about the winter works program. It has merit, although I think evidence brought before us when we discussed the subject of unemployment in a Senate committee a year or so ago amply justified the statement that no new jobs are provided by the winter works program; but, it has merit in that it is an attempt to spread construction jobs over a 12-month period, and perhaps it has an effect on the economy in that respect.

The winter works program has been made more effective in at least one province of which I have knowledge—Quebec—than in my own province. No one can argue that I am making a political speech to help Jean Lesage because the election in Quebec is now over and, in any event, I do not think my voice is strong enough to reach that far. But I think it is a wonderful thing that the province of Quebec contributed 40 per cent of the cost of the winter works program. No such assistance is given in Nova Scotia. As an instance of the ineffectiveness of the winter works program in Nova Scotia, it can be pointed out that in 1961-62 there were 33,000 man-days of work provided. It sounds like a lot, but when reduced to meaningful terms it works out to about 110 full-time jobs. Very few, if any, of these have come to rural municipalities where the situation of chronic unemployment is growing steadily worse. It does not seem to me to be a very effective scheme which makes only 110 full-time jobs available while tens of thousands are looking for work.

I do wish to say that some credit is due to the present Government for continuing, with some modification, the policies of the previous administration with regard to the cost of production and distribution of power in, I think, two of the Atlantic provinces. Credit is also due for the encouragement given to the construction of vocational and technical schools. This is a field in which for some years we in Nova Scotia have lagged behind the other provinces in taking on our responsibilities. We have lagged far behind our sister province of New Brunswick, and far indeed behind the province of Quebec, of which I have some knowledge, as well as the province of Alberta.

Here again my province is not able to take full advantage of the assistance offered, which on the surface seems generous, when the federal Government provides 75 per cent of the capital cost of erecting a school. With the municipal taxpayers overburdened as they are at the present time with education costs, some regions—and I happen to live in one of them—cannot agree to a sharing of the staffing and administration costs of such schools, because the financial resources are not available. This program must be made more effective in a province where the extent of personal incomes makes responsibility for the operation of new training facilities very difficult to assume. It seems to me that some additional incentive might be provided so that technical and vocational education can be provided for the rapidly increasing number of young people leaving school unprepared for today's and tomorrow's world of work. This additional incentive might well be in the form of additional federal grants for the operation of such educational institutions. Let no one think that we in Nova Scotia are going to raise any constitutional issues about education. Such an incentive would at least take part of the burden off the municipal taxpayer, and it would spread that program over a province which needs it as badly as, if not worse than, any other province in this country.

In connection with our studies in the Special Committee on Manpower and Employment, most of us who were on the committee will remember that unemployment was broken down into several categories, one of which was structural. Nova Scotia has been

affected by structural unemployment perhaps more than any other province. This is the era of the power saw when a man can go into the woods and cut much more wood than could a man and his son some years ago. It has reduced the time a man and his son can be employed in the woods to complete a contract for a paper company or for a pulpwood exporting company. The power saw has also had its effect on unemployment in the woods in areas where timber is cut to be sawn into lumber.

Then again, structural unemployment is caused by the fact that in my province a year or so ago a start was made in using chips from the waste in lumber mill operations. This by-product, I am now informed, comprises about 20 per cent of the total pulp that is manufactured or ground up by the Bowaters Mersey Paper Company in my own home town of Liverpool. This chipping of the slabs of waste lumber is done by machines, and there is less pulpwood being cut by the men in the woods in, for example, northern Queens county which can now be almost described as a depressed area. Merchants there have told me, and they have been saying it for several years, that if it were not for social security cheques they would have to close their shops, and even at that the people are not buying much more than the essentials of life. Without social security cheques I do not know what families would live on in areas where a man can no longer get a job that lasts any length of time. This is the impact of automation and new ways of doing things, which is referred to by the general term "structural unemployment".

With respect to joint programs in general, you may know that the federal Government enters into many agreements on joint programs with provincial governments. The contribution formulae with respect to these programs do not always recognize the difference in the abilities of provinces to pay. One exception I can think of is the hospitalization scheme. That is a shared program, but the cost-sharing formulae takes cognizance of the differing abilities and standards of incomes of the various provinces. Ontario gets a grant of less than 50 per cent of the total cost, whereas my province receives a grant from the federal Government in the order of 55 or 56 per cent of the total cost. I think that principle of different formulae applying to different provinces with respect to cost-sharing should be followed more often.

I do not have to remind the honourable senators from Nova Scotia, or many others here, that my own province presently has the highest gasoline tax in Canada. I told one person the other day that we pay 54 and a fraction cents a gallon for premium gasoline, and he thought I had made a mistake. In my province there is a 5 per cent sales tax with the usual exemptions, and municipal tax rates have reached the point of repression. Yet, my province's contribution to joint programs such as winter works, the trans-Canada highway, technical education, and so on, is calculated on the same basis as that of other provinces with much lower rates of direct taxation and higher average incomes—higher sometimes by as much as 50 per cent—which provide greater ability to pay.

In any event, regardless of what has been done in the past, and whether it has been the responsibility of this Government or a previous one, and whether old age security, family allowances and unemployment insurance are good or bad, depending upon your point of view, these measures I have mentioned have been of considerable help to my province. But regardless of all that has been done in the past there has not been a serious start made at solving our fundamental problems.

The same thing can be said about our national problems—and we do have national problems, although we read about only one these days. It is amazing to note that since early last summer we have heard nothing about our problems except the one concerning our balance of payments. There are, however, deeper problems that are just as important and about which we should hear more.

It has been pointed out that during this past year there has been a rather substantial gain in the number of employed. It is interesting to observe, however, that the national employment index has not improved. I inquired by telephone this morning as to the latest figure of the unemployment index—the index is based on the 1949 figures equalling 100—and was told that today the national figure is 118.1, whereas in my own province the figure is 94. We are losing ground in employment in relation to our population. If 1949 equals 100 then 1962 equals 94 in Nova Scotia, and in the nation as a whole it equals 118.1.

I was not too surprised when getting this information together to hear that one of the greatest increases in the index of employment in Canada is in the province of Newfoundland. I do not know whether all the credit should go to Joey Smallwood or not, but I will give him plenty because I think he has been the man of his time. He came along at the right time to get his country, as it then was, into Confederation, to get some federal assistance to do things.

Hon. Mr. Choquette: The election in Newfoundland is not today.

Hon. Mr. Smith (Queens-Shelburne): Let us leave it at that. Somebody in Newfoundland —perhaps the Newfoundlanders themselves, who are a wonderful people—must have done something extraordinary in order to raise their index away up to its present mark. It is above the national average standing now at around 142, but I did not make a note of the exact figure.

Hon. Mr. Connolly (Halifax North): You might tell us which party is in power there.

Hon. Mr. Smith (Queens-Shelburne): I use one word: good!

While we are talking about the increase in the number of employed it should be remembered that many well-informed people regard this upturn in the economy which has created more jobs during this past year as a prelude to a new cyclical downturn. That is not necessarily so, and I am not one of those who hope it will be so. When I go home I see so much unemployment that I come back here and go through much misery in preparing a speech to make before honourable members of this chamber. When I leave one part of Canada and return to Nova Scotia I can see the contrast very clearly. In spite of this I might say that our people are not unhappy. At least they did not show any unhappiness a few months ago. I have found that the unhappy ones are those who leave Nova Scotia to go to other parts of Canada to work for a few years, find out the kind of life the average Canadian lives and then go back home and observe great differences in the standards of living. Many who are willing to accept that lower standard of living do so because they do not want to leave the woods, or the sea, or the land, or the very air itself around those Atlantic provinces. Those things are worth a lot of money to the native Maritimers. However, not all the young people are staying there. They are the ones who are moving out and who, when they go back, are making fun of their friends who choose to stay and pull the fish over the side of the boat.

One of the findings of the Senate Committee on Manpower and Employment was that if we are to reduce unemployment to a tolerable degree during the next few years the growth in employment must be at a rate surpassing that of the greatest period of expansion in our history—from 1953 to 1957. I do not mention those dates for any other reason than to point out that those were the years following the Korean war, and that the rate of growth during that period could not be regarded as a normal one. Those were years of tremendous expansion in such resource industries as iron ore, aluminum, uranium and oil. Those developments were accompanied by magnificent accomplishments in the transportation field, the St. Lawrence Seaway, the railway lines to carry the iron ore of Labrador, and the transcontinental pipeline network of the west to carry the resources of gas and oil to domestic and foreign markets. These were imaginative projects which not only created jobs during the construction phase but provided the base for hundreds of thousands of new jobs.

The 1953-57 period also saw important transportation developments in my own province which had the effect of stimulating job opportunities, such as the Canso Causeway, the Halifax-Dartmouth bridge and the Yarmouth to Bar Harbor ferry. These were not all federal Government projects but they were the kind that stimulated the economy.

However, during the past five years Canada has been plagued with "creeping unemployment" and lack of a rate of growth satisfactory to take care of our growing labour force. In no region during this year 1962, the year of recovery, has there been so little improvement as in the Atlantic provinces. Some areas in the Atlantic provinces felt the warmth of improvement, while others felt the dead hand of shrinking opportunities. I could take honourable senators down there and show them, and perhaps they could even feel the dead hand I am talking of.

One of the general and persistent criticisms one hears expressed of the present Government is related to its characteristics of delay and indecision. Perhaps at no time were these characteristics more dramatically displayed than at the time of the Cuban crisis. However, I do not intend to say anything more about that.

The Royal Commission on Canada's Economic Prospects made a rather comprehensive study of our regional problems and suggested a number of solutions. The work of that commission has been referred to on previous occasions and I have consulted some of the subject material. Many of the suggestions it made were accepted by study groups, such as those set up under the auspices of A.P.E.C. They were accepted also by important publications such as the *Atlantic Advocate*, a monthly magazine I recommend to all who want to learn something about the Maritime provinces, their beauty and their literature.

Another publication in which many of these suggestions found acceptance was the Halifax *Chronicle Herald*. It is not a small town newspaper. The honourable senator from Halifax North (Hon. Mr. Connolly) has more knowledge of that than any one of us here, for at one time he served as editor on one of the papers which later joined with its

rival to form one large newspaper. I think it is about fifth or sixth in circulation in this country. It is a big and important newspaper with a circulation of the order of 125,000 or 130,000. A few years ago this newspaper published a series of editorials which were later incorporated in a booklet entitled, " A Blueprint for Atlantic Advance". That should be required reading for anyone who is interested in the Atlantic provinces. As I recall, those suggestions also formed the basis of the platform of the Conservative party candidates in the Atlantic provinces in the year 1957. Therefore, the suggestions must have been good ones.

Recently the Senate Committee on Manpower and Employment also made a special study of the problem of the labour surplus areas of Canada, which study revealed that many of these areas were in the Atlantic provinces. During the hearings by that committee, responsible witnesses made strongly-worded recommendations for the solution of these problems. These views, reinforced by a special study undertaken for the committee by Dr. Judek of Ottawa University, led the Manpower Committee, when dealing with regional problems in its final report, to say this:

> Little can be accomplished with marginal and small scale remedies.

The report went on to say:

> Sporadic incursions into this problem and random flourishes are not going to bring results.

In addition to the royal commission studies and recommendations, and those of the Senate committee, others have been digging to get at the roots of these problems. As has been so well said by the honourable senator from Fredericton (Hon. Mrs. Fergusson), who is presently attending the United Nations meetings, the work done by the Atlantic Provinces Economic Council in recent years in the field of research and study has been comprehensive and of immense value.

A distinguished gentleman from the United Kingdom visited the Maritime provinces at the invitation of the premiers of those provinces. I am not quite sure whether he confined his activities to one or more of the Atlantic provinces, but I know that he made a most intensive study of our general problems. I refer to Professor A. K. Cairncross, a man of real ability, who is now one of the principal economic advisers to Prime Minister Macmillan. His material is on the record and it is good material.

But, honourable senators, studies of the nature I have referred to can go on forever without producing results unless they are followed by action. The Atlantic provinces will always be faced with the serious social and economic problems associated with an unemployment rate at least double that of the national average, unless something better and more effective is done.

The people of the Atlantic region know that advice by qualified individuals and organizations has been available to the Government for some years. They will, therefore, fail to see the need for further advice on, to quote the Speech from the Throne,

> measures and projects that will promote the economic development of the Atlantic region of Canada.

The people of that area may regard this proposal, being placed before us at this session, as words without action and without real meaning. To be meaningful, at least another paragraph would have to be added to the Speech from the Throne. Then the pertinent and complete paragraph would read something like this:

> You will be asked to authorize the establishment of an Atlantic Development Board to advise on measures and projects that will promote the economic development of the Atlantic region of Canada, through the use of federal finances, to be provided from an Atlantic provinces capital assistance fund and from other sources.

Honourable senators, the ultimate goal in solving our Atlantic regional problems must be to attain a rate of growth of job opportunities which would reduce our unemployed at least to the national level, while providing jobs which would hold our natural increase in population in the provinces of their birth. One half of this natural increase are now moving outside the province. The goal I project is difficult to attain. An A.P.E.C. study which I read not long ago estimated that this goal involves the creation of 155,000 new jobs by 1980. Considerable time and extraordinary effort will be necessary to bring about this economic growth. The annual unemployment rate for the last few years has averaged about 12 per cent of the labour force, while at the same time an average of 6,000 persons have left Nova Scotia each year for the past five or six years. They have left in order to make a life elsewhere. We do not like to see these people leave; we prefer that they stay at home, but they cannot do so unless the rate of employment expands.

Where the task is great, the effort must be equally great, and a start must be made immediately. There is no time for further delay and indecision.

All of us must be conscious that the winds of change and reform have been blowing all over the present-day world. There is a need to accept changes and reforms in the

political, social and economic fields and to mould them to fit the modern world with its tensions, anxieties and demands. This need has been recognized by the governments of many countries. Protestant observers report that the winds of reform are being felt at the Ecumenical Council in Rome.

The Government and the people of Quebec are recognizing the need for reform. All is not well when such radical movements as Separatism and Social Credit receive the support of over half a million restless people. Just as the solution of the economic and social problems of French Canada will contribute to national unity and national well being, so will the solution of those problems of Atlantic Canada. The pattern of increased transfer payments and joint programs merely provides a palliative and makes the Atlantic patient feel temporarily better but does not attack the basic disease. To take an expression which was used in the committee on Manpower and Employment: "Random flourishes," and empirical remedies should be replaced by a bold and forthright attack on the virus which causes chronic unemployment and under-employment in Atlantic Canada.

The appropriate prescription was written some years ago and endorsed by research, study and experience both on this continent and abroad. The ingredients include:

1. Tax incentives of major degree to encourage the establishment of industries and the expansion of those already established.
2. Capital assistance in the form of public works which are creative of a flow of employment opportunities.
3. A municipal development fund for low-cost loans for municipal works and undertakings.
4. Enlarged terms of reference of the Industrial Development Bank.
5. A "new look" for all joint federal-provincial programs which recognize the factor of ability to pay.
6. New policies to reduce cost of moving our goods to market to include a rejection of the MacPherson Royal Commission recommendations for removal of the benefits of the Maritime Freight Rates Act for traffic within the region.

The patient may not need all these ingredients, or he may need more. He may need a different kind of medicine from that prescribed.

Honourable senators, at the outset I acknowledged that my remarks might be construed as political. If however, some honourable senators have detected a note of partisanship, it is because I cannot truly be other than partisan in my earnest desire to advance the economic and social welfare of the eastern provinces by the sea, and that desire has nothing whatever to do with my party affiliation.

On motion of Hon. Mr. Macdonald (Cape Breton), debate adjourned.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, November 1, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-3, to make provision for the disclosure of information in respect of finance charges.

Hon. Salter A. Hayden: Honourable senators, the honourable senator from Ottawa (Hon. Mr. Lambert) was kind enough to adjourn this debate for me.

This is the fourth time a bill bearing the title this one bears has come before the Senate, and on the fourth time around one endeavours more than ever to avoid undue repetition. Since this seems to be "appreciation day" in the Senate, before I say anything uncomplimentary about the bill I should offer the highest marks to its sponsor (Hon. Mr. Croll) for his persistence and industry. After all the fates have done to him in the course of the three previous introductions of this bill in the Senate, one might be less likely to be charged with lack of industry and lack of perseverance than if he abandoned the bill after even one try. It seems as though almost everything has happened to this bill. It went to committee the first time, and was never reported out. The second time around, the Senate voted it down on second reading. The third time it was a race between getting the bill to committee and prorogation of Parliament. I believe the bill got to committee but Parliament dissolved before the bill received any consideration. Now we have the bill here again.

My friend presents the bill, as he did on previous occasions, as a very effective instrument for doing what the title of the bill says, namely, to make provision for the disclosure of information in respect of finance charges. My own view is that if the bill became law it would be completely ineffective for that purpose—it would accomplish nothing. I propose to point out why, in my view, that is so.

First, my friend has told us the purpose of the bill. In one place he stated that it is designed to require the purchaser to be given the information and to be given the truth in lending. In another place in his speech he

said the sole purpose of the bill is to require credit financiers to tell the truth about charges. Then he said:

> This bill is designed to protect the consumer from the harsh consequences of easy retail credit, and to require those financing such credit to disclose all their charges whether they are called interest, finance charges, carrying charges or otherwise.

My friend makes the easy assumption that the bill is constitutional—that question was discussed on previous occasions—by simply declaring that the bill in pith and substance deals with interest. Well, of course, if the bill in pith and substance deals with interest then it is within the jurisdiction of the federal Parliament and within that jurisdiction only. But one cannot dispose of the question of constitutionality as easily and in such an offhand manner as my friend would suggest it can be done in this case. It takes more than the use of the word "interest" to make the pith and substance of a bill relating to interest and therefore be within the federal authority.

My friend says that the issue is truth in lending. Therefore I must conclude that he joins ranks in this fashion, that it is truth in lending versus deception in lending. I want to disabuse his mind right away because if I thought for one moment that this bill is necessary in order to avoid deception, and secondly, that it would aid one iota in the correction of this situation, I would support it. My friend has no corner on desire to protect the borrower against deception, or against misinformation that a borrower might receive as to the terms and conditions of the borrowing, or in the desire that fraud should not be practised on the borrower.

No one takes the position that the borrower should get less information than that which would inform him fully as to his obligations, the terms and conditions of the borrowing, and what he has to repay. The point on which my friend and I disagree is as to the value and necessity of this arithmetical calculation of what he calls interest. He, in effect, says that unless you make that calculation and express the finance charges as a percentage in terms of simple annual interest, then you have not told the truth in lending.

Now, on that basis let us have a look at the bill. It has a few changes from the measure that we had before us in January of this year. It has been boiled down and refined. My friend has now removed from it any reference to services. He has added a preamble which at the same time he disowns as having any real purpose. My own feeling is that he might have added a preamble because there is a preamble in the Small Loans Act, and he may have felt that the analogy which he thinks exists between the Small Loans Act and this bill might also aid his bill if it had a preamble.

This bill covers only new consumer credit in the area where a vendor of personal property such as automobiles, furniture, radios or refrigerators, enters into a transaction with a purchaser as a result of which all the payments, or some part of the payments, in respect of that purchase are to be made after the transaction has been completed by the delivery of the article to the purchaser. That he calls consumer credit.

This field of consumer credit is where the conditional sale agreement comes in. That is where a vendor is selling a car and he wants to retain title until such time as it has been fully paid for. He can do it by following the provisions of The Conditional Sales Act of Ontario, and there are similar statutes in many of the other provinces in Canada.

If he uses this instrument, a conditional sale agreement, and it is properly carried through in the terms of the statute, and registered, then the vendor of the automobile can retain title to it as against a third person who might acquire what he thought was good title from the first purchaser.

In order to have a good conditional sale agreement in Ontario the statute imposes the requirement that the contract must be in writing. This is provided for in chapter 61 of the Revised Statutes of Ontario 1960. The contract must be evidenced by a writing signed by the purchaser or his agent,

> ...stating the terms and conditions of the sale and describing the goods sold; and
>
> (b) within ten days after the execution of the contract a true copy of it is registered in the office of the clerk of the county or district court of the county or district in which the purchaser resided at the time of the sale...

That is from Section 2. I now read from Section 4:

> The seller shall deliver a copy of the contract to the purchaser within twenty days after the execution thereof...

When you look at the form of a conditional sale agreement, which is standard in relation to automobiles, refrigerators and radios, you see the kind of information which is furnished by the form which I hold. I am reading from an actual form, the particulars of an actual transaction, with the names, of course, omitted.

This is in relation to the sale of a Ford Galaxie four-door sedan. It gives the serial numbers et cetera.

Cash selling price	$2,412.00
Provincial sales tax	72.36
Total delivery price	2,484.36
Cash down payment	650.00
Balance of price	$1,834.36
Unpaid balance to be financed	1,834.36
Add finance charges	192.44
Total deferred balance	$2,026.80

Then it goes on to say this:

> Payable in 18 consecutive monthly instalments of $112.60, payable on the fourth Friday of each month, commencing in the month of January 1962.

Then there is a note at the bottom which the purchaser also signs. There is also a statement on this conditional sale agreement indicating that it is being assigned to Traders Finance Corporation, that the vendor guarantees payment by the purchaser in accordance with the terms of the assignment, and that the payments will be made to the finance corporation. There is a similar form in connection with refrigerators and furniture.

I should point out to honourable senators that at times this form also provides for an insurance premium. In the example I just gave the purchaser had his own insurance, so there is no dollar amount filled in opposite "insurance premium." Were the insurance premium part of the deal and were it to be paid for out of the financing, then it would be added as a separate item. In the case of furniture, refrigerators or radios that insurance might take the form of life insurance as well as the other types of insurance in connection with automobiles. This is the information which the purchaser gets at the time he completes his transaction.

Now, I ask you, can it be said that the purchaser, under those circumstances, has not been given every bit of the truth in relation to the transaction? He is given full particulars of how the unpaid balance is made up; he is told, on an instalment basis, if he wants it for 12, 18 or 24 months, what the specific payment is that he has to make each month, and for what period of time. If that were not so, if the purchaser were not given that information, how would it be possible for him to make his payments? Or, if he started making his payments thinking they were so much a month, how would he know when to stop making them? He knows because he is furnished with this information, and if the law under the Conditional Sales Act of Ontario has been complied with he has been furnished with a copy of this document which is registered. He also has it within his power to demand and to receive, as a matter of law, a copy of this document. Therefore, he has in his possession all the information that he needs in order to know what the financed part of the purchase price of this article is costing him, and how much he has to pay.

Hon. Mr. Vaillancourt: Is interest mentioned?

Hon. Mr. Hugessen: Does he know the interest rate that he is paying?

Hon. Mr. Hayden: My friend is anticipating. The honourable senator from Kennebec (Hon. Mr. Vaillancourt) speaks on this point each time the matter arises. I am glad my friend interrupted, as he will see in a moment.

Now I come to the bill. "Finance charges" are defined under this bill as:

> . . . the total cost of the credit to the consumer thereof, and includes interest, fees, bonuses, service charges, discounts and any other type of charge whether described as interest or not.

Therefore, within that definition of "finance charges," if there are premiums on insurance policies, they will be included; if there is a registration fee for registering the conditional sales agreement, it will be included.

In my discussion of this bill, I first want to point out that I am discussing its provisions. Under my friend's bill "interest" is not required to be stated as an item of interest. It is included within the sum total of something that he calls "finance charges," and I would direct my friend to the definition of "finance charges." Then when the sponsor comes to the point where he wants information furnished to the borrower before the transaction is completed, what he wants is this:

> (a) the total amount of the unpaid balance outstanding;
>
> (b) the total amount of the finance charges to be borne by such other person in connection with the transaction.

I say that at the present time the purchaser receives that information; it is all exposed to him. If it were not, he would not know how to make his payments or when to stop making them.

The third item is one which, according to the sponsor of the bill, makes the difference between telling the truth in lending and not telling the truth. It is this:

> (c) the percentage relationship, expressed in terms of simple annual interest, that the total amount of the finance charges bears to the unpaid balance outstanding under the transaction.

What he means is this. If your finance charges are $192.44, he wants you to relate that amount to the balance unpaid. In the case I cited it was $1,834.36. Then he wants you to express these finance charges in that amount by percentage in relation to the unpaid balance—he says, "expressed in terms of simple annual interest." I take it by that he means he wants the figure reduced to $100, and the borrower to be told in relation to that $100 what is the percentage. However, when you have done that, what have you got? What you have is a percentage figure expressing the relationship between finance charges and the unpaid balance. You have not got a figure that can be called "interest" as such, because in the finance charges my friend has included items other than interest. Interest is only one of a number of items which he has included in his definition of "finance charges," and he wants the percentage in relation to finance charges and not in relation to interest. There are items in finance charges that cannot, in any sense, be called "interest" or "compensation" for the money borrowed, whether it is called "interest" in fact. If I pay a registration fee to register the document, that cannot, by any stretch of the imagination, be called "interest." If I pay a valuation fee or an insurance premium for insurance, while it might be for the benefit of the vendor as well, it is definitely for the benefit of the purchaser and the user of the car. If I pay a premium for life insurance it is definitely for the benefit of the borrower or his estate, though you might say it is a benefit to the lender too. But all those are payments that, by no stretch of the imagination, could come within the area of "interest" as we understand that term.

Hon. Mr. O'Leary (Carleton): What are the finance charges for, and who determines them?

Hon. Mr. Hayden: I am not in this business, but I think I can answer the question. Finance charges are a variety of charges which lenders of money charge in relation to the use of borrowed money. I would expect that some of the elements entering into finance charges might be costs of administration, evaluation fees, or legal fees—and while I would be interested in legal fees, I do not think you could say legal fees are interest.

But in answering the question, it really does not matter much what I say is included in finance charges because my friend has written a definition for the purposes of this bill in which he says it includes interest, fees—which would include legal fees, bonuses, and so on. Bonuses could very well partake of the character of interest, an extra charge for an extra risk, or something of that kind, or maybe an extra charge for no extra risk. I do not know. It would include service charges, risk, discounts—and a discount might very well come into the category of interest, and any other type of charge whether described as interest or not.

If you take that area you can let your imagination run as to what might be included. You could have insurance premiums, and an infinite variety of things, but when I address myself to the form in which the definition is written I say there are more items included in finance charges than those things which would be described as interest, whether you call it interest or not. Once you enter that area you are dealing with finance charges.

The significant point as far as I am concerned is that to say I am not telling the truth in lending because I do not make that added percentage calculation, is something that I cannot understand. When the borrower is told how much he owes, and told the total of the finance charges, the registration fees and the insurance premium, and then is given the total of those as the unpaid balance, and is told how much he has to pay per month, depending on whether he wants financing for 12, 18, 24, or 36 months, then I say he has been told the truth, the whole truth and nothing but the truth in lending, and the requirement of expressing this as a percentage adds nothing more.

Even my friend went a long way when he was speaking on this very point. As to the basis of his bill, he had this to say:

> . . . if people knew what they were being charged they would be less likely to make instalment purchases which would leave them hard up or destitute, and at the very least, would enable them to shop intelligently for credit.

These are my friend's words, not mine. Let us analyse them for a moment.

My friend does not say that if all these percentage calculations are done, then all the abuses in credit will disappear, or that those who are foolish and cannot resist buying and buy beyond their means, the moment they get the percentage figure and realize it is as much as 25 per cent in relation of the finance charges to the unpaid balance, will say "Get thee behind me, Satan; I will not be tempted to buy this."

That is not a proper assumption to make. I say my friend is too sensible and too practical a person to make that assumption, because all he says is that they would be less likely to make instalment purchases which would leave them hard up or destitute. That is not a sufficiently good reason for my friend then to say that there is no truth in

lending unless that percentage is given. Arising out of that point, I come to my next proposition.

Hon. Mr. O'Leary (Carleton): Before you leave that point, may I ask what is the objection to giving the rate of interest? Admitting what you say to be the case, why should the lender not tell the borrower what the money is going to cost, what it would represent in interest?

Hon. Mr. Hayden: I can answer my friend, but the form in which the question is put bothers me a little. Dealing with what the borrower is going to pay—

Hon. Mr. O'Leary (Carleton): Why not tell the borrower what the money is going to cost, with the rate of interest calculated?

Hon. Mr. Hayden: Let me first take my friend the sponsor's position. He said it is a simple calculation to make—and if it is such a simple calculation I suppose the borrower, as well as the lender, has some responsibility for making it. But secondly, and this is my strong point, if it means that the lender must calculate the true effective rate of interest, reflecting the monthly instalment payments and their effect on the calculation of that rate, then it is a complex and complicated process to make that calculation.

My friend and I, on a case he presented at an earlier session this year, differed by about 80 per cent on what seemed to be a fairly simple calculation, and I think we finally compromised. I think my percentage calculation was closer than his, but perhaps I was off by at least 40 per cent.

Hon. Mr. Roebuck: You needed an interest table.

Hon. Mr. Hayden: I needed an actuary.

My friend is volunteering some interjection, but let me point out that the columnist, Pierre Berton, did a lot of research and published column after column reporting on what his operative found, but before he published the figures as to what he called "the true interest relationship" he had his operative take all the figures to an actuary to do the calculations and then he quoted the calculations which the actuary had made. Remember, the bill demands a penalty for not giving the true rate of interest. By clause 4 of the bill, if the lender fails to provide a statement of this calculation to the person to whom the credit is being extended, then the credit financier has not the right or remedy or cause of action either in law or in equity in regard to any finance charges. In other words, if his calculation is not correct, and if he has not been paid the finance charges, he cannot sue to recover them, and if the finance charges have been paid the borrower has a right of action against the lender to get them back.

Now my friend provides for regulations, by which a formula would be prescribed for making the calculation, and for the degree of accuracy or of tolerance in such calculation. But as far as I am concerned, in answering the question asked by the senator from Carleton (Hon. Mr. O'Leary), "Why not give the interest rate?"—there are many other ways I could answer my friend, in addition to what I have said. First, the borrower, I must assume, has equal capacity to determine the percentage, when he is given all the information that he needs. Secondly, the calculation of this percentage, which is not true interest, is not the effective rate of interest. It is a relationship expressed in terms of interest of finance charges to the unpaid balance.

When the borrower is so informed, he already has the information as to his cost in dollars. He already has the information in dollars as to what he has to pay each month until he has satisfied the obligation. I say that is the extent, and that is the greatest extent, to which this can be carried.

I may not have answered my honourable friend from Carleton—I do not know—but I refuse to assume that every vendor or every lender is a shrewd businessman with a sort of actuarial mind, and that every borrower is exactly the opposite, and that therefore it is the duty of the lender, after he has furnished every bit of information in dollars in relation to the transaction, to make this other complicated calculation.

I say "complicated" only if that is what the bill means. Frankly, I do not know that it means that. From the way my honourable friend from Toronto-Spadina (Hon. Mr. Croll) spoke I would say that is what he thinks it means. If all that section 3 asks the lender to do is relate the finance charges to the unpaid balance as a percentage in terms of simple interest—if it means that and nothing more than that—then I agree with my friend that it is a simple calculation, and on that basis I could not object as much to imposing this burden or obligation on the lender. But I say what I have said because of the fact that my friend has devoted so much of his presentation to what he calls the true rate or the effective rate which, I take it, means the rate that would reflect instalment payments each month and a reducing balance of principal and a reducing balance of finance charges in that total unpaid balance.

However, whatever it is, once you come to the conclusion that interest is only one element in finance charges, then in my submission, my friend's one hold on constitutionality disappears because it is no longer interest.

May I just point out this: my friend says the pith and substance of this bill is interest. I ask you to look at the bill. The word "interest" occurs three times. It occurs first in the preamble, but my friend could not possibly claim that one because it is part of the phrase "in the public interest". That is not the kind of interest that would be within the exclusive jurisdiction of the federal authority under the British North America Act.

There are two other places where the word "interest" occurs: in the description of finance charges, and in section 3 which provides that this percentage calculation must be expressed in terms of simple annual interest. The bill does not say it is simple annual interest, but the lender has to reduce the figures to 100, and give the percentage rate on $100.

The jurisdiction of the federal Parliament is with respect to interest. My honourable friend referred to the Small Loans Act as suggesting some authority which would support his claim that this bill is constitutional. This bill can only be constitutional if its pith and substance is interest. What the bill asks the lender to do is to disclose his finance charges, and "finance charges" is an expression the connotation of which is much broader than the word "interest". If interest is removed from the pith and substance of this bill then what is left is simply disclosure of finance charges, which is a matter of property and civil rights within the province.

Though my honourable friend has referred to the Small Loans Act, there is a vast difference between this bill and that act. The Small Loans Act contains a definition of the cost of a loan which says that it includes,

> . . . the whole cost of the loan whether the same is called interest or is claimed as discount, deduction from an advance, commission, brokerage, chattel mortgage and recording fees, fines, penalties or charges for inquiries, defaults or renewals or otherwise, and whether paid to or charged by the lender or paid to or charged by any other person . . .

But when you come to the operative part of the Small Loans Act, and to the new section 3 which was enacted in 1956, it says—and I read only the words that I think are pertinent to the point I am making:

> No money-lender shall, in respect of any loan, directly or indirectly ... exact ... for the payment by the borrower of a sum of money as a result of the payment of which the cost of the loan exceeds an amount equivalent to the amount or rate prescribed by this section ...

Then subsection (2) of that section reads:

> The cost of a loan shall not exceed the aggregate of
>
> (a) two per cent per month on any part of the unpaid principal balance not exceeding three hundred dollars ...

And then it goes on to say that it shall not exceed one per cent per month on any part of the unpaid balance exceeding $300 but not exceeding $1,000, and then one-half of one per cent per month on the remainder of the unpaid balance exceeding $1,000.

What you have there is a maximum cost of the loan fixed at two per cent per month on any part of the unpaid principal balance not exceeding $300, and you are told that whatever charges go to make that up you cannot get more than two per cent per month. So, to the extent that there is interest in those costs, then as the costs other than interest increase, the effect of this fixed percentage of two per cent per month is to reduce the interest element and, therefore, the Small Loans Act deals with the rate of interest. Alternatively, as the costs reduce, the interest element increases and, therefore, the act deals directly with interest and it becomes clearly within the jurisdiction of the federal Parliament.

Mr. Varcoe, when Deputy Minister of Justice, gave an opinion on the constitutional validity of this act by saying that the pith and substance of the legislation had to do with interest, and these other elements were collateral to that.

It can be seen how the pith and substance of the Small Loans Act might be said to be the control of interest, because a ceiling is put on what may be charged for a loan and, therefore, either a mixmum or a minimum is being placed upon the rate of interest because what is received as interest will vary dependent upon these other charges that are poured into the cost of a loan. I understand that although the Small Loans Act has never been challenged in the courts, it might well be. If it were, it might be held to be constitutional because its pith and substance is interest, and I have tried to illustrate to you how that may be so.

Just because interest is mentioned in this bill before us does not create constitutionality in the federal authority right away. I should point out to my honourable friend (Hon. Mr. Croll) that there was a decision in relation to a municipality with which he had

a lot to do in his younger days, namely, the city of Windsor. As a matter of fact, I think this developed during the period when he was closely identified with that city. It was around 1935, and having regard to the position my friend occupied at that time he might well have been the author or the co-author of the legislation by which municipalities in the Windsor area that were in financial difficulties were dissolved by a special statute of the province of Ontario and a new municipal corporation was created. The creation of that new municipal corporation provided that the interest on the debenture borrowings of the new corporation should not exceed a certain percentage. That was challenged in the courts as being unconstitutional and beyond the authority of the provincial Government. The case went as high as the Privy Council, which decided that it was constitutional. In regard to the dissolution of the four municipal corporations which had existed up to that moment, the Privy Council had this to say:

> The result of dissolution is that the debts of the dissolved corporation disappear. Amalgamation of municipalities for the purpose of more effective administration, whether for financial or other reasons, is a common incident of local government...Where the former bodies are dissolved it is inevitable that the old debts disappear, to be replaced by new obligations of the new body. And in creating the new corporation with the powers of assuming new obligations it is implicit in the powers of the Legislature ...that it should place restrictions and qualifications on the obligations to be assumed.

Then they say:

> It is of the essence of its control over local government administered by municipalities that it—

that is, the Government and the Municipal Affairs Department—

> should have these powers of inquiry and decisions. In other words—

And this is the cogent reason.

> —the pith and substance of both the Amalgamation Acts and the Municipal Board Act, 1932, and the Department of Municipal Affairs Act, 1935, are that the Acts are passed in relation to municipal institutions in the Province.

Further on, they say:

> The question of interest does not present difficulties. The above reasoning sufficiently disposes of the objection. If the Provincial Legislature can dissolve a municipal corporation and create a new one to take its place, it can invest the new corporation with such powers of incurring obligations as it pleases, and incidentally may define the amount of interest which such obligations may bear. Such legislation, if directed bona fide to the effective creation and control of municipal institutions, is in no way an encroachment upon the general exclusive power of the Dominion Legislature over interest.

That case was reported in 1939 Appeal Cases, at page 468, and is the case of *Ladore et al vs. Bennett et al.*

I refer to that case only to support the proposition that I made, that the mere fact interest is mentioned in a bill does not immediately vest the jurisdiction in the federal Parliament to the exclusion of the provincial legislature.

I say that in this case the mere mention of interest in the two places it occurs can only give the federal Parliament jurisdiction if, as the result of what is said in the bill, you can say, if asked, that the essential purpose is interest, control of the rate of interest, or something of that kind. This bill does not purport to control interest; it does not affect interest in any way; it makes no attempt at regulation of interest. All it says is that if this calculation is not made on the finance charges, the penalty is that one may not sue for the charges and, if they have been paid, the person who has paid them can sue for their return.

In my submission, that makes this bill completely unconstitutional, because its pith and substance is not interest.

The other day, the honourable senator from St. John's East (Hon. Mr. Higgins), who sits on the Government side, raised a question when my friend the honourable senator from Toronto-Spadina (Hon. Mr. Croll) was speaking, in regard to a recent decision in Ontario. It seemed to me that my friend indicated he intended to deal with that in reply; in other words, that he had something up his sleeve that he was going to make use of when the opportunity arose. This case was that of a recent decision in Ontario under the Unconscionable Transactions Relief Act. The Court of Appeal unanimously declared that that statute was *ultra vires* of the Ontario Legislature, and therefore I had intended to discuss the case. In the meantime, however—within the past week—the province of Ontario obtained leave to appeal to the Supreme Court of Canada. Therefore, I feel that I should not argue the merits or distinguish that case. However, I should like to make some passing reference to it so that one may see what is involved in it.

The Unconscionable Transactions Relief Act goes far back to early historical days, not only in Canada but in England. It was designed to relieve a borrower from what would truly be an unconscionable transaction. The procedure was to give authority to a court or a judge under which the contract could be re-written, reducing the principal amount and reducing the cost of the loan. The cost of the loan is defined in the statute. The statute goes so far as to say that "actual lawful and necessary disbursements made to a registrar of deeds", etcetera, are not included in the cost of the loan. The authority that the statute gave was that:

> Where, in respect of money lent, the court finds that, having regard to the risk and to all the circumstances, the cost of the loan is excessive and that the transaction is harsh and unconscionable, the court may,
>
> (a) re-open the transaction and take an account between the creditor and the debtor;
>
> (b) notwithstanding any statement or settlement of account or any agreement purporting to close previous dealings and create a new obligation, re-open any account already taken and relieve the debtor from payment of any sum in excess of the sum adjudged by the court to be fairly due in respect of the principal and the cost of the loan;
>
> (c) order the creditor to repay any such excess if the same has been paid or allowed on account by the debtor . . .

One can see that this legislation certainly appears to bear directly upon rate of interest. If there is authority to re-open accounts and reduce them, that means affecting the rate of interest. If there is also the power to re-open and reduce the cost of the loan, which includes interest, that means dealing with the rate of interest.

That was the position taken by the Court of Appeal—and taken, as the Court of Appeal expressed in its judgment, with reluctance, since they thought it was a very meritorious statute.

Hon. Mr. Hugessen: Did they reverse the judgment?

Hon. Mr. Hayden: The Court of Appeal reversed the court of first instance. The appeal judgment dealt with the argument on the law, that is, as to whether the statute was *ultra vires* or not, and the parties had agreed that the court should make the decision on that point, because it was useless to argue the merits until the court first decided whether the province had authority to enact such legislation.

Just to indicate the thinking of the court, let me read from the judgment:

> The statute is applicable to only one kind of contract—a moneylending contract. Its essential purpose and object is to provide a remedy to a borrower to enable him to have the terms of such a contract modified. The end result of an application to the Court in accordance with its provisions, if the borrower is entitled to succeed, must be that the interest, in the broad sense of that term, payable as compensation for the loan will be reduced. It matters not, in my opinion, whether this result is achieved through the intervention of a Court order or through the operation of a provision in the Act itself fixing a stated rate or scale of interest. In either case it is unquestionably legislation in relation to interest under the pith and substance rule, and, in my opinion, clearly invalid as an infringement of the exclusive legislative power committed to Parliament.

In commenting on what "interest" means in this judgment—and it does make a historical review of the origins of interest and the variations in purchase over the years—the court said:

> The American authorities speak of interest as the compensation allowed by law or fixed by the parties for the use or forbearance of money, or as damages for its detention. Broadly speaking it is regarded as compensation which may be demanded by the lender from the borrower, or by the creditor from the debtor for the use of money.
>
> The word "interest" is not, then, a technical term and it is not restricted in any sense to compensation determinable by the application of a rate percentum to the principal amount of a loan. It may be for a fixed sum of money whether denominated a bonus, discount or premium, provided that it is referable to a principal money or to an obligation to pay money. This broader and more comprehensive meaning of the word is recognized in the English moneylending statutes. . .

Then references are made to the various interest acts. But even the statute itself, the Unconscionable Transactions Relief Act, excludes from the terminology of the definition of the cost of a loan those things which are not in the nature of compensation for the use of money, such as registrar's fees, and matters of that kind, where the money is being paid to some third party, and therefore

it is not enjoyed by the lender as part of the price that he includes for the use of his money. The judgment draws that distinction.

I refer to that case only to indicate that the pith and substance rule is the rule you must follow, and you have to determine if the pith and substance is interest, the regulation, control and rate of interest.

In my submission this bill does not deal with interest in that aspect at all; it does not attempt to regulate or control; it does not define. All it says is that you must make a calculation, and the purpose of the calculation is to expose in all aspects the finance charges. My friend presumes that, although you tell a man how many dollars he owes you and the makeup of those dollars, and you tell him how much he has to pay per month for so many months until the loan is repaid, you still have not told him the truth. These are catch-phrases; and if there ever was a catch-phrase, "truth in lending" is one, because it conveys the sinister connotation that there has been less than truth in lending, and that the less than truth in lending is simply because that calculation has not been made relating percentagewise finance charges to unpaid balance and expressed in terms of simple interest.

It is strange how it catches on. I have been flooded with letters from substantial representative organizations all across Canada asking me to support this bill, and their representations and letters indicate to me that they have not read the bill or, if they have, they do not understand it. However, I must take them as they are. I know many of them and I know that they are sincere, but they have been fooled by the expression "truth in lending". I say that the information which is given to the borrower and which is required by the law of Ontario and by other provinces in Canada, gives the truth in lending and gives the whole truth in lending, and that any person who is armed with that has all the information he needs to know about what his purchase is costing him.

To suggest to me that because a percentage is expressed that that conveys more to me as to what I am paying than if I know only that I have to pay so many dollars is utter nonsense. I know the value of dollars, and so do all these other people. My friend suggests that some people are fooled because they do not get the percentage figure. I say that is just so much nonsense, because these people are comparative shoppers as to the price they are going to pay for merchandise. Why would they suddenly cease to be able to exercise the same ability and appreciation when they are told what the dollar repayment cost is, and why would they have to have this additional stick to lean on, and why is it likely to be of any use to them at all? Even my friend will not go so far as to say it will be of use. He says these people would be less likely to enter into improvident transactions. On that point I say to him that legislation which is directed to people who have extravagant views and small pocketbooks, and who will spend regardless of whether they can meet future payments or not—in other words, people who enjoy the present— is not sound.

I submit that the solid purpose behind legislation should be that it must be in the public interest, which means the lender as well as the borrower, and that if the lender gives the borrower everything that is pertinent to the transaction, then to require the vendor to do the mental gymnastics—and possibly he might have to engage more help to do it—is enacting a piece of legislation that has no useful purpose.

I say further that if the measure passes into law it will be completely ineffective, because all that the vendor will have to do is to set up a finance company as a separate company. Then if a man buys a car, some furniture, or other merchandise from a merchant, he goes to the finance company, arranges to get the money, takes the money and pays for the merchandise in full, and that transaction is completely outside of this bill. I point that out to illustrate how narrow this bill is in its application and how ineffective it is to accomplish anything. However, I must thank my friend to the extent that he may have contributed in part to the interest aroused by a certain publication. I received many letters from people asking me to support the bill. Several of the letters contained a clipping from a publication entitled, "Wanted—Truth in Lending". So you can see how the catch phrase has got around. I am much interested in one part of it, where it says:

> Write your lawmakers. Let your senators, representatives and members of Parliament know how you feel about these bills. Letters, wires, phone calls and personal contacts are desperately needed. Unless we, the ordinary credit union members, act now, these bills may never become law!
>
> It also helps to contact the committees studying these bills. In Canada, write
>
> Hon. Senator Salter A. Hayden, Chairman Senate Committee on Banking and Commerce, House of Parliament, Ottawa, Canada.

So that accounts for a lot of the mail I have been getting and I suppose it arises out of my friend's very happy catch expression "truth in lending". I say that truth in lending,

in its application to this bill in the circumstances that exist, is a complete misnomer.

If it is the wish of the Senate that this bill go to committee I am not going to oppose it, but I would direct your attention to the fact that the Royal Commission on Banking and Finance has been sitting for some time and submissions have already been made to that commission in relation to this very matter of disclosure of financial information. It well may be that in that broader picture in which it is studying the whole question of banking and financing and financial disclosure the commission could come up with a real solid approach to this question that would perhaps be general enough to include some regulation of credit, which really seems to be the problem and the fact upon which my friend draws support for his bill, although his bill does not regulate credit.

Hon. Cyrille Vaillancourt: Honourable senators, I realize that it is difficult to enact legislation to protect the working man. For the last four years, we of the *caisses populaires* have been investigating conditions in this field of consumer finance, and I hold here a summary of our report. During our investigation we discovered some terrible conditions arising out of operations of finance organizations, involving interest and finance charges. Many families in our province of Quebec are affected.

We studied a little over 1,500 families—not wealthy people, not poor people, not farmers, but only salaried people and wage earners. We found that some borrowers were paying 100 per cent for interest, fees and other charges entering into the cost of a loan.

Over the last two months we have been studying intensively about 400 families in relation to their borrowings from finance organizations, and we demonstrated to them the high interest and other charges they were paying. These 400 families were very surprised, and with the exception of two of them, all the families tried to pay off the finance companies and thus save their families from discouragement and avoid losing their homes.

They say it is difficult to calculate interest, that they cannot calculate as a percentage the charge made for a loan and so on because in every contract the charges are different. For instance, they tell us that if you buy a new automobile the charge is so much a month, but if you buy a two or three-year-old automobile the terms are not the same and the interest is not the same. In the operation of our *caisses populaires* we use a book of tables to calculate interest. I have the book here. Let me take the example of a $100 loan repayable in 24 months. The charge made by a finance company at 24 per cent interest to repay the loan and interest amounts to a monthly payment of $5.29. The total interest for 24 months is $26.96. At simple interest of 6 per cent to repay the loan and interest calls for a monthly payment of $4.44, and the total interest for 24 months is $6.56. These tables have been prepared by accountants. This little book shows what the monthly payments would be for any loan from $100 to $20,000 at different rates of interest from 4 per cent to 8 per cent. Other books are available showing interest up to 12 per cent. Interest is therefore easy to calculate; just determine the amount of the loan and the rate of interest and you have the figures for interest and capital repayment and so on.

I can tell you that the situation is terrible for working people, for they are paying as high as 40 to 48 per cent interest. Our social work organizations in Lévis have determined that 75 per cent of cases of family troubles between wife and husband have their beginnings in financial matters. Trouble is not long coming when a family is obliged to pay too high finance charges, more than they can afford. These people never realize the total amount that they are going to have to pay. It is necessary for them to be shown these figures, and that is the reason we contacted during the last two months those 400 families and discussed with them their problems, and I may say their problems were absolutely terrible. We were obliged to have these people come under the Lacombe law and reorganize their affairs.

I realize we cannot educate people by passing laws. Perhaps we can organize an educational program to control these advertisements broadcast over radio, T.V. and so on, that people are subjected to every moment of the day and night—such as, if you chew a brand of gum you will have good health, or that people should use a certain type of product to prevent cancer. I suppose a lot of people believe everything they hear. People are mere children, and because they are children we are obliged to indicate the path they should follow and, sometimes, we have to build fences on both sides of the path to prevent some people falling into the river or other dangerous places.

My colleague (Hon. Mr. Hayden) is a very good lawyer, and has explained very clearly, according to the law, the difficulty of protecting unwary people. However, I do not agree that it is impossible to find a way to protect such people against themselves.

We interviewed one family in which the husband had an income of $90 a week, but

still that family is in debt to finance organizations to the sum of $12,000. It is impossible for him to pay off that debt, and so he is obliged to go into bankruptcy. His wife is never contented. He had a nice little home worth a little more than $15,000, and his wife asked him to sell it and move into a rented, second-storey apartment. Why? So they could buy an automobile. The three children now have nowhere to play, nowhere to breathe fresh air, but madame now has an automobile to use.

Very often we do not realize the situation, but, honourable senators, go amongst the people, and if you come into contact with the working class you will realize that the situation is terrible, and the economy of the nation is in the same state.

If instead of paying out 24 per cent interest a person could save his capital, at the end of one year he would earn some interest and thus have more money. Then he could buy merchandise to greater advantage, because when he has to take the money out of his own pocket he will be more careful and make wiser purchases.

I cannot say whether this bill is or is not workable, but I have explained the situation as I see it and I call your attention to the necessity for educating our poor, working people, to save them from themselves.

On the motion of Hon. Mr. Grosart, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 15, 1962

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

Prayers.

THE LATE SENATOR BOUCHARD

TRIBUTES

Hon. A. J. Brooks: Honourable senators, we were all saddened yesterday by the news that one of our colleagues had passed away. I speak of the late Senator Telesphore Bouchard, from Les Laurentides, who died last Tuesday evening at his home in Montreal.

It was not my good fortune to know Senator Bouchard as intimately as many of you in this chamber, yet I often saw him and heard of him while I was a member of the House of Commons. I knew of his splendid reputation and the great respect in which he was held by his colleagues. He was first nominated to this chamber in 1944 and, as you know, served here for more than eighteen years.

Prior to being summoned to the Senate our late colleague gave the greater part of his years in public life to the service of the people of his native province and city, that of St. Hyacinthe, as both a municipal and provincial representative.

A journalist by profession, Senator Bouchard was first elected as alderman for the city of St. Hyacinthe in 1905, and continued in municipal work until 1944, as city clerk from 1909 to 1912 and as mayor from 1917 to 1944. He was elected president of the Union of Canadian Municipalities in 1918, and was a charter member of the Union of Quebec Municipalities. He was for many years a member of the Legislative Assembly of the province of Quebec where he occupied the Speaker's chair and later held two cabinet posts that as Minister of Municipal Affairs and as Minister of Trade and Commerce.

The late senator was widely known throughout the province as a wise and selfless contributor to the public weal of his province and his nation for half a century. I know he will be greatly missed by all honourable senators, particularly those who worked closely with him over the past eighteen years. I wish to express to his daughter, to his relatives and all his close friends my deepest sympathy and, I am sure, the sympathy of all honourable senators.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, death has again bereaved us of one of our colleagues, Senator T. D. Bouchard. Senator Bouchard, Senator Daigle who has passed away also, and myself were called to the Senate the same day, March 3, 1944. When will my turn come? Our Lord will decide but one thing is sure, that day is not too far distant.

In his province, Senator Bouchard was a controversial figure but he had a remarkable energy, however, and if we did not always share his views, we must recognize that most of them were very sensible and that the proposals he put forth many years ago are being put into effect today.

Senator Bouchard was of humble origin and was raised in a working-class district that he called the "haymarket" district. He attended grade school at the Girouard academy in his home town and received his classical instruction at the St. Hyacinthe seminary, but since his parents could not afford to pay for his schooling, he had to work in his spare time to earn some money. He became correspondent for two newspapers, *La Presse* and *La Patrie*, which enabled him to pay his tuition fees. He entered the political field at a very early age; he was barely 18 when he started making political speeches and took up simultaneously and, I might say, jointly, two careers, that is, journalism and politics. At the early age of 24, he was elected as alderman of his city of St. Hyacinthe and he was the town clerk from 1909 to 1912, but that position was too quiet for him, so he re-entered active politics, became mayor of St. Hyacinthe and remained in office almost without interruption from 1917 to 1949. I said almost without interruption for, in 1919, he was defeated at the election in St. Hyacinthe because he advocated pasteurized milk. He wanted all the milk sold by milkmen in his city to be pasteurized; he raised a general outcry and was defeated. However, he was re-elected two years later and applied what he had preached. St. Hyacinthe was the second city in North America to order milk pasteurization. He was also one of the first to municipalize the distribution of electricity; he had thermal plants built in St. Hyacinthe and generators installed to produce electricity for the city.

It may then be said that what has just been decided in Quebec marks the completion of the first project advocated by Senator Bouchard. He also became the first chairman of the Union of Municipalities of the province of Quebec, and he spared no effort in working for the Union of Canadian Municipalities, that is, of all municipalities in Canada.

He was, as has been mentioned, a newspaperman his whole life through. For some time, he was correspondent for two Montreal newspapers, but he was also correspondent for *La Tribune*, of St. Hyacinthe, and also for *L'Union*. He became owner of the latter around 1903. In 1912, he converted this daily newspaper into a weekly and gave it the name of *Clairon Maskoutain*. It still exists and a few months ago it celebrated its golden jubilee. It was perhaps on that occasion that Senator Bouchard made one of his last public appearances. As a journalist, he was a fiery polemist who vigorously attacked his opponents and contradictors.

He was also a champion of free and compulsory education; he claimed that children should go to school until they were at least fourteen years old. This is another of the ideas advocated by Senator Bouchard which is being implemented even beyond what he urged at that time.

He was elected to the Quebec legislature for the first time in 1912 as successor to another great Canadian, Henri Bourassa, who had quit politics to found his newspaper *Le Devoir*. Mr. Bouchard was re-elected in 1916 and then defeated at the next election, but was again returned as member in 1923, 1927, 1931 and so on until 1944 when he was appointed to the Senate. He was Speaker of the provincial legislature from 1930 to 1936 and that year the Liberal party was defeated. However, Senator Bouchard, re-elected as member, became leader of the Liberal party in the opposition. In 1944, the Hon. Mr. Godbout became premier of the province and appointed the Hon. Mr. Bouchard as Minister of Roads and Public Works. He proceeded with the plans for highway No. 9 between Montreal and Quebec via St. Hyacinthe and it is on that route laid out twenty years ago that the Trans-Canada highway is being built today.

Called to the Senate, as I said, on March 3, 1944, he became chairman of Hydro Quebec on April 14 of that year.

Through his death, the province of Quebec lost an unusual politician. Although at times our views differed, I must pay tribute to his great capacity for work and his courage in expressing his opinions, which he did sometimes with utter frankness.

Until a few years ago, Mr. Bouchard had been an untiring worker; he would put in fifteen to eighteen hours on a normal working day. When he was minister in Quebec, he would arrive at his office at eight in the morning and leave quite late at night.

We wish to express to his daughter, Cecile, our deepest and most sincere sympathy.

(Text):

Hon. A. K. Hugessen: Honourable senators, I wish to join with the Leader of the Government (Hon. Mr. Brooks) and the acting Leader of the Opposition (Hon. Mr. Vaillancourt) in the tributes they have paid so well and so graciously to the memory of our late colleague, Senator T. D. Bouchard. It is true that he suffered from severe illness for the past fifteen years and so hardly ever during that time took an active part in the proceedings of this house; but during his active career, as my colleague has pointed out, he was a very vigorous proponent of the views which he held.

I should like for a minute or two to touch on some of the aspects of the late senator's political career which were not mentioned by my honourable friends. In the first place, he was a man of great courage and forthright and independent views. Although a practising Catholic, he was an anticlerical in the sense that he strongly and steadfastly opposed clerical interference in matters of lay politics. In adopting that position he was following the line laid down by Sir Wilfrid Laurier in his famous address to the Club Canadien, in Quebec, on June 26, 1877, in which Sir Wilfrid set forth the liberal position as to the relative spheres of the Church and the State. In using the word "liberal" in that context I am, of course, not referring to political liberalism but to the liberal Catholic position as opposed to the extreme pretensions of the clerical ultramontanes of that day. These pretensions have long since disappeared in their extreme form, but they do crop up again from time to time.

In considering the career of our late colleague, I think this needs to be said: if anybody in the rest of Canada still holds the view—in my opinion, an utterly mistaken view—that in the province of Quebec politics are dominated by the Church, let him reflect on the career of T. D. Bouchard. Here was a Catholic who openly fought clerical influence in lay matters and whom the overwhelmingly Catholic population of his own city of St. Hyacinthe elected and re-elected as their mayor for an unbroken term of twenty-seven years.

He and his supporters were upholding—and I suggest that priests and clergy of all

denominations should never forget—the admonition of Our Lord in the New Testament with regard to the Roman tribute money: "Render unto Caesar the things that are Caesar's, and unto God the things that are God's".

There was a second feature of the career of our late colleague to which my honourable friend referred a few minutes ago. He was one of the first supporters of and believers in public ownership of hydro-electric power in the province of Quebec. As my honourable friend said, during his term as mayor of his native city of St. Hyacinthe he municipalized the electric power and light distribution system in that community.

In the year 1944 when he retired from the Godbout cabinet he was named to and occupied for a time the position of first head of Hydro-Quebec. He was, as I say, a strong supporter of public ownership of hydro-electric power in our province.

It occurred to me as most regrettable, that it was not given to our colleague to live just a few days longer to realize the overwhelming endorsement of public ownership of hydro-electric power which his old electors of the province of Quebec gave at yesterday's elections.

That thought brought back to my mind, and I hope honourable senators will forgive me for referring to it, an incident that occurred many years ago when I was a boy in England. It was the time of the English general election of December 1905, when the Conservative Balfour Government which had been in power for ten years went to the polls. I had a close friend who was a Liberal candidate at that election in one of the Yorkshire industrial constituencies; and, as some of my honourable friends are no doubt aware, in Yorkshire—particularly in Yorkshire—political convictions run very deep and very strong. I went to stay with my friend in Yorkshire for a few days prior to the election and I shall never forget an incident that happened when I was accompanying him on visits to his constituents. We went to a modest house where there was an old man lying in bed. He was ill with cancer and the days of life remaining to him could perhaps be counted on the fingers of one hand. When we went into the room this old man took hold of my friend's hand and said to him, "Sir, I have only one thing left to wish for in this life, and that is that I shall live long enough to see you elected to Parliament next week." Well, my friend was elected to Parliament, but whether the old man had his wish or not I never found out.

That recollection crossed my mind when thinking how appropriate it would have been had our late colleague, Senator Bouchard, been able to live for a few more days to hear the result of yesterday's elections in the province of Quebec, in so far as his support of public ownership of electric power is concerned.

There was a third feature of the character of Senator Bouchard. He was in every sense of the word a broad-minded Canadian. Though proud of our province and tenacious to its rights he could in no wise have been called a nationalist, in the sense in which we use that word in the province of Quebec. Still less could he have been called a separatist, and I am quite certain that he would have regarded the separatist doctrine with unqualified horror. He firmly believed, as I think all of us in this house do, that the two great races from which Canada is sprung should walk side by side in mutual tolerance and understanding along the road that destiny has opened for us. Indeed, for some years he was the head of an organization—the name of which now escapes me—the purpose of which was devoted to increasing mutual tolerance and understanding among the different sections of our country.

As my honourable friend has said, Senator Bouchard was of humble origin. His grandfather was a water carrier, and at the time of Senator Bouchard's death he was just completing, or it may be that he had just completed, his memoirs entitled, *"Souvenirs d'un petit-fils de porteur d'eau"*—"Recollections of a Grandson of a Water Carrier." But regardless of his origin, the example of the life and career of Senator Bouchard shows what courage, perseverance and sterling character can do in the service of one's province. He is an example to the young of our province, and I can assure honourable senators that in that province the name of Teddy Bouchard will not soon be forgotten.

It only remains for me to join with my honourable friends in expressing to his only survivor, his daughter Cecile who nursed him devotedly for the last fifteen years, and who as a personality in her own right earned the decoration of M.B.E. for service during the war, our most sincere condolences.

Hon. R. B. Horner: Honourable senators, I was among those who listened to the maiden speech of Senator Bouchard in this chamber. There were many in the province of Quebec who were displeased with it, but he has since been proved right. Just as the honourable senator from Inkerman (Hon. Mr. Hugessen) has said, Senator Bouchard believed the two great races should work together. About the time he was appointed there was a certain movement of which he did not approve, and he spoke out courageously against it in this

chamber. As a result he was ostracized, abused, and even accused of leaving his Church, which he declared he had not done and never would do.

Once when I visited him I remarked, "You have made the most expensive and, perhaps, the best speech that has ever been made in the Senate of Canada. That is the value of the Senate. Were you seeking election, these are things you could not very well say. You spoke your mind." At that time he had just been appointed chairman of the Quebec Hydro at $18,000 a year, but as a result of that speech he was immediately dismissed.

Those who knew Senator Bouchard only after his health had failed saw but an image of his former self. When first appointed to the Senate he was as fine a figure of a man as you could wish to find in all Canada. Doubtless, he never developed his frame and muscle by idleness.

Perhaps at the risk of being misunderstood, I thought I should say just a word in remembrance of a man who, I believe, accomplished much.

(Translation):

Hon. Mariana B. Jodoin: Hon. senators, since I represent in the Senate the district of Sorel encompassing St. Hyacinthe, I wish also to pay tribute to the late Senator Bouchard.

I entirely agree with all the tributes that have already been paid to his memory. On behalf of the lady senators and of all the women in my province, I would particularly like to offer to the late senator's daughter, Miss Cecile Bouchard, our most sincere condolences.

(Text):

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Letter, dated July 5, 1962, to the Secretary, Canadian Section, International Joint Commission, concerning the joint request of the Governments of Canada and the United States of America to the International Joint Commission to examine into and report on the feasibility and economic advantages of improving or developing a waterway on the St. Lawrence River in Canada through Lake Champlain to the Hudson River at Albany in the U.S.A. (English and French texts).

Classification of Loans and Deposit Liabilities of the Chartered Banks of Canada as at September 30, 1962, pursuant to section 119(1) of the Bank Act, chapter 48, Statutes of Canada, 1953-54.

ADJOURNMENT

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, November 20, 1962, at 8 o'clock in the evening.

Motion agreed to.

SHIPPING

REMOVAL OF TOLLS ON WELLAND CANAL

Hon. Gordon B. Isnor inquired of the Government, pursuant to notice:

1. In view of the adverse effect the St. Lawrence Seaway development has had on the two Atlantic ports of Halifax and Saint John, will the Leader of the Government in the Senate state whether or not he is in accord with the removal of tolls on the Welland Canal?

2. Is it true that this will mean a loss to the Treasury of something like $1,500,000 a year?

Hon. A. J. Brooks: The answer to the honourable gentleman's inquiry is as follows:

1. It should be remembered that the Welland Canal is not open during the winter, which is the season in which most cargoes are handled at Atlantic ports. There is, therefore, little relationship if any between these ports and the Welland Canal.

2. Tolls collected on the Welland Canal in recent years have been as follows:

1959—$1,224,062
1960—$1,326,497
1961—$1,400,000.

Hon. Mr. Isnor: Honourable senators, may I thank the Leader of the Government for the reply he has given, but I would ask him now if he would be good enough at some future time to answer the question as put to him in the first part of my inquiry.

Hon. Mr. Brooks: In what particular?

Hon. Mr. Isnor: Is he in accord with the action taken?

Hon. Mr. Brooks: I can answer that right now, honourable senators. The removal of tolls on the Welland Canal, in my opinion, has nothing to do with the ports of Saint John and Halifax. They neither gain nor lose anything by it. As far as I am concerned, it seems to be a sort of tax reduction, as it could mean a decrease in water freight rates. We in the Maritime provinces will no

doubt benefit by it as much as people in other parts of Canada, and I have no objection to it at all.

Hon. Mr. Isnor: Thank you.

PRIVATE BILLS

THE SOVEREIGN LIFE ASSURANCE COMPANY OF CANADA—THIRD READING

Hon. L. P. Beaubien, for Hon. Mr. Thorvaldson, moved the third reading of Bill S-11, respecting The Sovereign Life Assurance Company of Canada.

Motion agreed to and bill read third time and passed.

ALLSTATE LIFE INSURANCE COMPANY OF CANADA—THIRD READING

Hon. L. P. Beaubien, for Hon. Mr. Thorvaldson, moved the third reading of Bill S-12, to incorporate Allstate Life Insurance Company of Canada.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. John M. Macdonald: Honourable senators, at the beginning of a new Parliament it is traditional to extend congratulations to the new Speaker, and this I gladly do, but I do not want you, Mr. Speaker, to feel that I am only following tradition when I offer congratulations to you. Far from it. I feel that your appointment was a recognition of your ability and of your fairness. It was a recognition of your high character, and of that sense of public duty which has been displayed throughout your career in the public service. I have noticed, Mr. Speaker, and I hope that you have also, that all the congratulations and good wishes already extended to you have not been a mere formality, but have been marked by a genuine warmth and sincerity which reflect the real feelings of those who uttered them.

We all know that you will preside over the deliberations of this chamber with ability, with knowledge, and with fairness to all. We know that you will uphold the high traditions of your office, as set by your illustrious predecessors.

Honourable senators, I should like to extend my congratulations to the mover and the seconder of this motion. At this late stage in the debate I realize that they must be feeling that we are but following a pleasant custom in extending congratulations to them. I can assure them, however, that their fellow members were pleased that they did so well in their first addresses in this house.

Honourable senators, I should warn you, perhaps, that I, like some of those who have spoken before me, may not confine my few remarks today to the matters contained in the Speech from the Throne. That speech forecast much important legislation, but that can be discussed in detail when it comes before us.

However, as has already been pointed out, the paragraph of the Speech from the Throne dealing with the proposed Atlantic Development Board has aroused much interest in the Atlantic area. That paragraph states that Parliament:

> ...will be asked to authorize the establishment of an Atlantic Development Board to advise on measures and projects that will promote the economic development of the Atlantic Region of Canada.

Speakers in this debate have referred to this matter and, indeed, dealt with it at some length. I will not repeat what has already been said, but I do think it should be emphasized that it is believed in the Atlantic area that this board will be of the utmost assistance to our future economic development.

It is as well, perhaps, to add a warning that we should not expect this board to be a worker of miracles. Its function will be to advise on measures and projects which the federal Government can undertake, and it should not—indeed, it must not—be forgotten that the economic problems of the Atlantic area are difficult and very deep rooted, and that they will not be overcome in any quick or easy manner. Indeed, solutions to economic problems in general are difficult to find, and much research and deep study will be required.

I suppose many people have their own ideas as to what would be solutions to our economic problems, and such people may be disappointed if this proposed board does not at once accept their ideas and recommendations. I think the President of A.P.E.C., Mr. Gerald E. Martin, had this in mind when he spoke on this matter in Halifax on Tuesday last. His speech, as reported in the *Chronicle Herald* of Halifax yesterday, is well worth reading.

Mr. Martin felt that the board should be so constituted that it would consider measures

and projects in a realistic manner, and advise only after careful consideration had been given to all the facts, and not on preconceived ideas or prejudice.

In the course of his address he set forth six recommendations or principles that he felt the board should follow in its operations. I believe they are good principles, and deserve to be carefully studied by the board when it comes into existence.

Yes, honourable senators, this proposed Atlantic Development Board can give valuable service. It can be of real assistance in helping to solve the economic problems of our area. But, in itself it cannot, and should not, be regarded as some kind of super agency which can find an easy and quick solution to these long-standing, difficult and complicated problems. I hope, and I believe, the proposed board will be successful in its efforts, and it will certainly deserve all the support that can be given to it.

Honourable senators, in speaking of this proposed board I would not want to leave the impression that nothing has been done by federal governments in the past for the Atlantic region. Let me acknowledge at once that much has been done. In Nova Scotia, for example, our coal industry has been assisted by federal governments for many years, and so has our steel industry, our fishing industry and, indeed, many others. We have benefited also by the federal contribution to the building of the Trans-Canada Highway and other federal projects. In recent years we have benefited by the Roads to Resources Program, by the special Atlantic Provinces Adjustment Grants, by the increased coal subvention payments, by the Atlantic Provinces Power Development Act.

While acknowledging all these, I think it can be rightfully claimed that the people of the Atlantic area have been doing much to help themselves. I give you again the example of Nova Scotia where the people, through their government, have made vigorous efforts to attract secondary industry and to help established industry. Some years ago the Liberal government of that day established a Department of Trade and Industry, which was presided over at one time by one of our colleagues, the honourable senator from Halifax North (Hon. Mr. Connolly).

In passing I will say, as one who is opposite him in political beliefs, that he presided over that department with vigour, and energy, and he was responsible for establishing some industry in Nova Scotia.

When the Conservative government came into office in that province it continued this department, and tried to strengthen it. It also set up a crown corporation called Industrial Estates Limited to attract secondary industry to the province, and it has had some success.

My point is that it is apparent strenuous efforts have been made and are being made by our own people to find solutions to our economic problems. Just this year, at the last session of the Legislature of Nova Scotia, a new department of government was established. The minister in charge is known as the Minister of Finance and Economics. As Minister of Finance he has taken over the duties of the former Provincial Treasurer; as Minister of Economics he is responsible for economic planning. I should add at once, that by economic planning is meant voluntary economic planning, whereby all groups interested in any way in a certain industry would be invited to come together to see if they could not make plans for the future development and good of that industry.

I understand this type of planning has been tried in France with real success. The Nova Scotia proposal is based on that French plan and the experience gained under it. I further understand that the first industry on which this type of voluntary planning will be tried is the farming and agricultural industry of Nova Scotia. I am informed that the minister has invited to a meeting representatives of all those in any way connected with the growing, packing, financing and distribution of agricultural products in Nova Scotia. I also am informed that he has been highly gratified by the response he has received so far.

I believe that this is a realistic and practical effort to assist the promotion of industry in Nova Scotia, a method which has much to commend it and which holds much promise for the future.

Honourable senators, I mention this latest development in Nova Scotia to show you that we are making great efforts there to help ourselves. I mention it also because I feel that you received a very dismal verbal picture of conditions in our province in the speech delivered yesterday by the honourable senator from Queens-Shelburne (Hon. Mr. Smith). Indeed, after listening to him I felt sad and depressed. I asked myself whether conditions in Nova Scotia were as bleak as he pictured them. I left this chamber in a gloomy mood. However, that mood did not last long. When I went to my office I read yesterday's edition of the *Chronicle Herald,* published in Halifax. I should like to read a few quotations from it. The first thing I noticed was this headline on page 16, "Japan's NYK Line opens Halifax Service". The article commences:

> The Far East has discovered Halifax in a big way. Japan's biggest shipping line—the NYK which commands a fleet of 86 ships, all built since the end of the war—Tuesday inaugurated a service to Halifax.

Further on it says:

> Japan in its search for export markets has found the Atlantic provinces a worthwhile proposition. Even though there are only two million people in the area, they have a relatively high purchasing power, and provide a steady market for Japanese toys, radios, cameras, textiles and other manufactured products.

At page 9 of the same issue there is a story concerning the dynamic growth of the Eastern Paper Products Limited, a Saint John, New Brunswick, firm which has opened a new plant in Halifax.

On page 3 I saw another headline, "Cape Breton Miners lead in Savings Bond Purchases", under which these words appear:

> Cape Breton coal miners, who have a long-standing habit of capturing the headlines, have done it again.
>
> This time they show the way to most Canadians in the matter of investing in Canada Savings Bonds.

On page 2 of the same issue I see a dispatch from Sydney, which states:

> Sydney Credit Union assets increased by $100,000 for the year, bringing the total to $1,462,807, it was reported at the annual meeting Monday.

In the same news item, it is stated that the Bergengren Credit Union of Antigonish was congratulated on its assets having climbed over the $1,000,000-mark in assets during the year.

On page 17 of that issue I see a news story from Glace Bay, containing these words:

> Ratepayers in a plebiscite Tuesday voted overwhelmingly in favor of borrowing $390,000 for five projects recommended by the town council.

Honourable senators will recall that the town of Glace Bay is in the very heart of the coal mining industry in Nova Scotia. It would be interesting to see just what they did vote on. It says:

> Included was an additional $140,000 towards construction of an auditorium-gymnasium for each of the town's two high schools; $390,000 was voted for this purpose in 1957, but the project was delayed because of economic conditions.

Now they are borrowing an extra $140,000 for that purpose.

Having read that interesting edition of the Halifax paper, I began to feel better. My temporary mood of gloom, or of impending doom, was lifted.

I looked at other items in other issues of the same newspaper. In the issue for October 24 last, I notice this headline: "Halifax Unloads the Most". The article goes on to give statistics of the amount of cargo unloaded in Nova Scotia from foreign ports and loaded also for foreign ports. It states that the vast majority of the tonnage loaded and unloaded was at the port of Halifax.

In the issue for October 19 there was another interesting headline. "Pulpwood Production in Nova Scotia Up". That news item reads:

> Pulpwood production in Nova Scotia during August rose by 18 per cent over the previous month and was up slightly from production in the same month a year ago, according to a Dominion Bureau of Statistics report released Thursday.
>
> Production in August, 1962, stood at 28,779 rough cords, 4,463 higher than in July, 1962, and 1,500 higher than in the same month a year ago.

May I also read from the issue of October 24, under the caption, "Building Activity up in Nova Scotia".

> Building construction in Nova Scotia is nine per cent up on last year—a much bigger increase than the national average over the same period, Hugh Montgomery, national president of the Canadian Construction Association, said in Halifax yesterday . . .

Honourable senators, I am reading these numerous extracts to try to give the other side of the story and to show that perhaps conditions are not quite as bad as they have been pictured. I now read from the *Chronicle Herald* of October 27, 1962, at page 18, under the heading, "'Shipbuilding Program Lauded":

> Two big developments in the Maritime fishing industry have pleased the president and the manager of the Fisheries Council of Canada, now touring Nova Scotia.

Then they give reasons:

> (a) The present fishing vessel program underway in the Maritimes, they say, is probably the most vigorous ever undertaken anywhere in Canada. (b) A revolutionary, long-lining technique developed in Cape Breton for catching swordfish has enabled crew members to earn up to $2,000 on two-week trips.

Honourable senators, to make my record complete I will read the *Chronicle Herald* of October 6, 1962 under the caption, "More People Working in Cape Breton":

> A 10 per cent increase in placements for the first nine months of this year was reported Friday by Sydney Office of the National Employment Service.

Honourable senators, I do not, of course, contend that all is well with the economy of Nova Scotia. We all know we have onerous and difficult problems. However, I do plead that we should face up to them and not let them overwhelm us. I do not feel that it serves any good or useful purpose to look only on the dark side of things. We should try to see things exactly as they are without being either too optimistic or too pessimistic. Much as I dislike to have to disagree with my good friend the senator from Queens-Shelburne (Hon. Mr. Smith), I feel he has been taking too pessimistic an attitude, and that in his speech yesterday he gave too sad and melancholy a story as to the conditions in Nova Scotia. I feel he exaggerated the difficulties and minimized our advantages. Of course, it may be that he was speaking only of the part he mentioned as being North Queens; but if the conditions he pictured are the conditions of that locality, then I say I do not think they are true of the whole of Nova Scotia.

I think I must also, in the most kindly way, disagree with him in his criticism that money spent on public highways in Nova Scotia could better be spent on something else.

Hon. Mr. Smith (Queens-Shelburne): I wonder if my honourable friend will allow me to make a comment. I did not say that the money could better be spent on something else. Highways, of course, are necessary—and good highways. The point I tried to make yesterday was that the kind of highways that were being built in some areas of which I had some knowledge were too good and too high priced for the traffic they carry now or ever will carry.

Hon. Mr. Macdonald (Cape Breton): Certainly I accept the statement of my honourable friend.

Hon. Mr. Smith (Queens-Shelburne): It is on the record.

Hon. Mr. Macdonald (Cape Breton): Yes, it is on the record, and I would not want to give the impression that my honourable friend said something which he did not say. However, what he has just said points up the difference in our respective attitudes. Personally, I believe that the people of Nova Scotia, no matter where they live, are entitled to the best highways that can be given to them.

Hon. Mr. Connolly (Halifax North): Hear, hear.

Hon. Mr. Macdonald (Cape Breton): I will pass without comment the criticism he had about the Liquor Commission in Nova Scotia constructing new stores and a modern office building. I suppose he refers to Halifax North, but I must say, from my slight knowledge of the people of Halifax North and those who represent them in Parliament and in the Legislature of Nova Scotia, that I agree they are just as entitled as anyone else to the finest buildings that can be constructed.

Honourable senators, as I have already said, we in Nova Scotia have our problems and difficulties but we have not lost faith in ourselves or in our province. We are not afraid; we are not fearful of the future. I am confident that our people are determined to do their best to make Nova Scotia a better place for all who live there. Of course, everything does not lie within their power to do so. We seek assistance from the federal authorities, but we do not seek it on bended knee; we seek it as a right, as our due, since we are a part of Canada. Nova Scotia has made and is making her contribution to Canada as a whole. On three occasions we have given Canada its Prime Minister and we have given men and women to other high offices in the state. We have made our contribution not only to the state, but to the church, to finance, to industry, to national labour unions, and to education. We are proud and happy to have done so, and we expect to continue to make such contributions, but we do ask the federal authority to help us find a permanent solution to our economic problems, and we believe we shall receive that help.

At the risk of being considered partisan, I feel bound to say that we have received much from the present Government. The present Prime Minister has shown a tremendous understanding of our problems.

When I look back over the past five years and recall the Atlantic Provinces Adjustment Grants, the assistance given to our coal industry, the Atlantic Provinces Power Development Act, and the vast program of public works which has been carried on in Nova Scotia, then, honourable senators, I am thankful that the Right Honourable John Diefenbaker has been Prime Minister of Canada and the Honourable George Nowlan, that great Nova Scotian, has been the minister from our province.

Honourable senators, I am going to read one more quotation to close my remarks. I do so because it expresses my own attitude and my own feeling much better than I can do myself. I quote from a speech delivered by the Minister of Finance and Economics of Nova Scotia, George I. Smith, at Annapolis Royal, before the Annapolis Royal Board of Trade on October 29 of this year, as reported in the *Chronicle Herald* of October 30. In part he said these words, and I make them my own:

> As a province—

Speaking of Nova Scotia.

> —we are not so well endowed with mineral wealth and geographical position as some may be. However, with an attitude that was careful to learn the lesson of the past, zestful and flexible in doing the work of today, eager and imaginative in seeking and preparing for the opportunities of the years ahead, acting always with vigour and determination, we can reasonably hope substantially to improve our rate of growth and our standard of living. Let us work, let us plan, to make the best of the good we have.

I thank you for your kind attention, honourable senators.

Hon. Mr. Farris: Honourable senators, I move the adjournment of the debate until Wednesday next.

Motion agreed to.

The Senate adjourned until Tuesday, November 20, at 8 p.m.

THE SENATE

Tuesday, November 20, 1962

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

Prayers.

HON. CALVERT C. PRATT

WELCOME ON RETURN TO CHAMBER AFTER ILLNESS

The Hon. the Speaker: Honourable senators, I am sure we are all very pleased and happy that the honourable senator from St. John's West (Hon. Mr. Pratt) is with us again. On behalf of all honourable members I should like to say how happy we are to have him back, and we hope he is returned to good health.

INCOME TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-78, to amend the Income Tax Act.

Bill read first time.

SECOND READING

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

Hon. M. Wallace McCutcheon, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, it is a tribute to the ingenuity of the taxpayers of the past, and the ingenuity of the lawyers of today, that four or five resolutions contained on a page and a half of *Hansard* of April last, and which we all read, have now developed into a bill of some 37 pages with 28 sections.

This is neither the time nor the place to review this bill section by section. If the bill receives second reading I shall, of course, move that it be referred to the appropriate standing committee for that purpose. I propose to do no more tonight than describe the principal objectives that the bill seeks to effect.

Hon. Mr. Reid: What is the number of the bill?

Hon. Mr. McCutcheon: It is Bill C-78. I shall be happy to hand any honourable senator my copy, because I am a little confused.

Hon. Mr. Hayden: You will probably speak better without it.

Hon. Mr. McCutcheon: Honourable senators, I intend to deal only with the principal provisions of the bill. One of its purposes is to implement the resolution brought down in April of last year by the then Minister of Finance to increase the exemptions under the Income Tax Act for dependent children by $50 per annum, bringing the exemption to $550 for children not entitled to the family allowance and to a lesser figure for those entitled to the family allowance. The bill includes the appropriate provision for the same exemption in respect to children of immigrants who are not yet entitled to the family allowance but who are entitled to family assistance. It is estimated that this will take some 80,000 taxpayers off the Canadian tax rolls.

An Hon. Senator: Has the honourable senator got their names?

Hon. Mr. McCutcheon: No, I have not got their names. Computers may be able to turn them out, if the senator wishes them.

The second important objective of the bill is to implement the resolution calling for incentives for increased sales of manufacturing and processing companies, sales either in the domestic market or in the export market, total sales wherever accomplished. Under these incentives, if the net taxable income is increased by a maximum of $50,000 by reason of increased sales, there will be an abatement of 50 per cent of the corporate tax on the first $50,000 and thereafter an abatement of 25 per cent on any additional profits resulting from these increased sales. The bill sets out the rules for determining the circumstances in which companies will become entitled to that incentive deduction.

Hon. Mr. Leonard: May I ask if the honourable senator is referring to section 10 of the bill?

Hon. Mr. McCutcheon: Yes, section 10.

One important provision of the bill is that increased expenditure for scientific research, either by way of capital outlay or of current outlay, over and above the outlay in a base period, shall be entitled to a deduction from tax of 150 per cent of the amount expended. This really makes the research dollar relatively cheap in the hands of a profitable corporation, and it is hoped that not only will research in Canada by Canadian-controlled companies be stimulated, but it is also hoped, and I think with good reason, that there will be a tendency for some subsidiaries of foreign-controlled companies to have research done in Canada which heretofore has been done by the parent company elsewhere.

Hon. Mr. Hugessen: To which section does the honourable senator refer?

Hon. Mr. McCutcheon: Commencing with section 15. Honourable senators will observe that there are provisions whereby research can be done by one corporation for another corporation, and the corporation that is paying for the research will obtain the benefit of the tax relief.

Hon. Mr. Pratt: If a newly-formed company, just starting out, does research as part of its process, but is not yet making any money, can it in those circumstances get any allowance?

Hon. Mr. Hayden: It has to earn the allowance.

Hon. Mr. McCutcheon: Yes, it has to earn the allowance, but the carry-forward provisions in the bill will provide for the research allowance.

Hon. Mr. Pratt: Would the carry-forward provisions apply for a long period?

Hon. Mr. McCutcheon: For the normal period. I think it is five years, but I am not sure.

Hon. Mr. Hayden: Only the capital part is carried forward.

Hon. Mr. McCutcheon: Yes; but the other is lost anyway.

Hon. Mr. Hayden: The current expenditures are lost.

Hon. Mr. McCutcheon: The current expenditures are carried forward like any other loss; and the capital account can be carried forward in the same way as depreciation can and be taken in any year in which it suits the taxpayer to take it, subject, of course, to the maximum amount allowable in any one year.

There are appropriate recapture provisions included in the bill, in the event that research facilities which have earned the 150 per cent allowance are subsequently disposed of.

There is a provision in the bill to allow the 10 per cent allowance against corporation tax in provinces which do not receive university grants, the only one at the moment being the province of Quebec.

The provincial logging taxes which heretofore have been allowed as a deduction from income are now being taken care of in a different form. Companies which are subject to the logging tax in the two provinces which now impose it will, in lieu of being allowed a deduction from income, be allowed a deduction from tax equal to two-thirds of the provincial tax or 10 per cent of their income from logging operations, whichever is the less.

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There are a number of quite complicated sections commencing with section 19, providing for allowance of expenses for exploration for gas and oil, and making more generous the allowances that are made to companies engaged principally in those businesses. This is another incentive provision, the purpose being to encourage development of oil reserves particularly. No large oil discoveries have been made in recent years, and it is considered in the national interest that there should be a special incentive for corporations to step up their exploration policy.

The bill goes further, however, in that it now makes provision, subject to certain limitations, depending upon the amount of income derived from oil or gas wells, for the charging off of these expenses by corporations not normally engaged in the petroleum industry. It is common in one other jurisdiction at least for companies not normally engaged in this industry to engage in it, and they are entitled to the same tax benefits as those companies which are engaged principally in that business. The bill makes provision for such companies. It also makes provision for individuals to charge off, within the limits of the bill, expenses incurred in their oil and gas drilling operations. There is provision that two or more companies operating a joint venture may be allowed to charge off against their income from the oil and gas business their proportionate share of the expenses of the joint venture. And there are provisions dealing with successor corporations, and so on.

The next important item in the bill is the exemption of companies engaged principally in the mining of iron ore from the 15 per cent tax imposed on profits earned in Canada by non-resident corporations. These companies, by virtue of the very nature of their business and the substantial amounts of capital that have to be raised in order to put them in the business, are unable to be incorporated in Canada, and they, of course, pay the full corporation tax on their operations in Canada. It was felt that they should not be subject to this special tax which was imposed in December 1960.

Then there are several provisions which merely extend benefits already in existence and which, in effect, make provision for the portability of pensions under certain circumstances. Heretofore, the law has provided that if an individual withdrawing from one approved pension plan deposits the moneys that he has withdrawn—which otherwise would be subject to tax in his hands—in another approved pension plan within a certain period of time, they are not taxable.

The bill provides the same exemption for withdrawals from one deferred profit-sharing plan credited to another deferred profit-sharing plan, or withdrawals from one registered retirement savings plan credited to another registered retirement savings plan, or to a registered pension fund. In other words, the self-employed individual, or the professional man, who has been making provision for his retirement through a registered retirement savings plan and who becomes an employee, can take his savings out of the former plan and deposit them in the company's pension plan without being liable for tax.

Hon. Mr. Reid: What is the number of the relevant clause?

Hon. Mr. Croll: It is on page 19.

Hon. Mr. McCutcheon: Section 17 commences on page 18.

Perhaps it is unnecessary for me to say that the act includes a number of what are called consequential and administrative amendments. I would be very happy to give such explanation as I can to any honourable senator, but I think the best explanations will be obtained when the bill is before the Standing Committee on Banking and Commerce.

Hon. Mr. Isnor: Could the honourable senator explain the purpose of back-dating this bill to April 11?

Hon. Mr. McCutcheon: The purpose of dating it back to April 11, or April 10, is that the Budget Speech was delivered in the House of Commons on April 10 and, as a rule, amendments to corporate income tax and personal income tax made when a budget is brought down relate to the taxpayer's fiscal year. Other amendments become effective as of the date of the budget resolutions, and these resolutions were brought down on April 10, 1962. To give one simple example with respect to the increased deductions for dependants, people have all this year assumed that that was going to be their tax position. Deductions have been made at reduced rates by numerous firms on the basis of the budget resolutions, and all this bill does is to put the law in the same position as it would have been had this bill been introduced in May 1962, and passed at that time.

Hon. Salter A. Hayden: Honourable senators, this is a very complicated bill. I have seen many of them over the years that I have been here, and they seem to become increasingly complicated. I hope I can demonstrate, before I sit down, just some of the complexity involved, and possibly this very complexity might be the springboard from which we could move into an era favouring a little more simplicity in our tax measures.

Let me illustrate the point I am making. My friend referred to the production incentive, which was budget resolution 2 in the budget of last April, and when I read the resolution I thought it was reasonably simple. It says:

> That with respect to income earned after March 31, 1962 a corporation whose principal business is manufacturing or processing (not including a corporation whose principal business is shipbuilding, mining, logging or the operation of oil or gas wells) be allowed to deduct from its tax otherwise payable an amount equal to 50 per cent of the tax on the first $50,000 of its taxable income attributable to increased sales and an amount equal to 25 per cent of the tax on the remainder of its taxable income so attributable.

That made sense. Maybe it is my peculiar type of intelligence, but I thought I understood that. But then when I read six or seven or eight pages of this bill, and see what really has been done in the way of complicating it, I might even be prepared to support a rule that possibly we should adopt the budget resolution dealing with this business of production incentive and forget about the several pages of this bill dealing with it.

Let me illustrate further what I mean. You will see by looking at the bill that its drafters presumably considered you would not be able to work out the formula, and so they decided to give a couple of examples of how the formula works. One such example appears in the explanatory notes opposite pages 6 and 7. They took two companies, Company A and Company B, and for Company A the example deals with an increase in sales of $100,000, and for Company B it deals with an increase in sales of $1,000,000, to show how the formula would work in relation to the 50 per cent tax credit and the 25 per cent tax credit. But then when they have the formula evolved, and have applied all the factors of the formula to the case of Company A, you get at the bottom of the page what the tax saving would be under the circumstances related to Company A. Dealing with an increase in sales of $100,000 in the year, it would produce a tax saving of $1,230.

Then in the case of Company B, where the increase in sales is assumed at $1,000,000, if you follow that through to the right-hand side of page 7 you will see that the aggregate of the tax savings, and therefore the incentive, is the combination of 50 per cent

of the tax attributable to those sales, and also 25 per cent on the balance. There you get an aggregate savings of $11,275 in relation to an increase in sales of $1,000,000.

Now, I would think that many people who have a $50,000 increase in sales in a year might find that the saving effected would be perhaps $1,000, which would just about pay the lawyer's and accountant's fees for making the necessary calculations.

An Hon. Senator: You can't hire lawyers that cheap.

Hon. Mr. Hayden: I was just going to say I am not opposed to work developing for lawyers, and I could not, of course, put myself in the range of my friend, the sponsor of the bill, who indicated he had a range that $1,000 would not satisfy, and therefore the client who wanted some help under this section would have to go to a person like myself or some other honourable senator here who would not have that high a scale.

But to me the resolution, in the language of the Minister of Finance when he was explaining it, seemed simple. He said:

> I am bringing forward in this budget a plan to use tax incentives to induce increased production and employment. This will provide encouragement for private industry in its search for new and expanding markets.

I say that if an increase of $100,000 in sales in a year will produce a tax saving of only $1,230, it is not a tremendous inducement to go out and promote increases in sales. My suggestion would be the most simple approach to this. I think what has happened here is that the drafters of this bill have said, "We must go down a very narrow line on what the real tax saving is". They then produce a formula which ends up with $1,230.

It would be a more realistic and simpler approach, and one that would be a real incentive, if they said that where sales are increased by $50,000 or $100,000 over the previous year or over the last two or three years, or whatever period may be considered the base, it is to be assumed that that extra $50,000 or $100,000 is revenue from sales and therefore taxable income. It would be more realistic to forget all about the six or seven pages of the bill as to how the revenue is cut down until it becomes taxable income, and just make the assumption that the revenue from the increase in sales is taxable income, and since we know that the corporate rate is 52 per cent it would give the benefit of a 26 per cent rate on that additional amount. That at least has the virtue of simplicity. It may be depriving lawyers and accountants of some fees, but it is quite simple. It would be a real inducement where you are looking for expanding production and the creation of more jobs, to take that kind of an approach. We are not, in my submission, playing fast and loose with the revenues of the country in doing it because we hope to encourage a larger volume of business. The taxpayer and the treasury will benefit from the increase in business. The taxpayer will benefit in a way that makes the whole exercise something worth while.

The only other comment I have to make on this is that at the time of the Budget Speech it was indicated that there would be some special rules covering corporate reorganizations so that the resolution would apply equitably in all circumstances, but to date we have not seen what those are. Therefore, we accept this resolution which is now in the form of a bill, and if it passes into law we will accept it in that way, and we will wait until a later date to see what are the regulations that will deal with the infinite variety of situations that can develop.

The other resolution that my honourable friend (Hon. Mr. McCutcheon) spoke about was with respect to scientific research. This does mark a departure from our approach to taxation and to tax laws in Canada, for I think this is the first time that provision has been made for a deduction from income in excess of 100 per cent of the expense. This is the first time we have done it here, and it is on a trial basis. It runs for a period of four or five years.

We should know that what this really does is to extend from 100 per cent to 150 per cent the deductions which you may be allowed in relation to scientific research. But, for the extra 50 per cent, if you invest that in capital assets for the purpose of working your research, which you subsequently sell, then there is a recapture. What you get goes back into income to the extent of 50 per cent of this deduction. So we are again faced with this principle of recapture which runs through our law now in relation to depreciation whereby if you subsequently sell and make a gain there can be recapture. There can be recapture out of the gain to the extent of the depreciation that you have written off.

Honourable senators, this recapture is dealt with in respect of scientific research, and I have the greatest difficulty in bringing myself to a proper approach to this question of recapture. In my opinion, to make an allowance by way of a write-off and then call that back into income at some date in the future is, I think, an entirely wrong concept of tax law.

However, so far as scientific research is concerned, this possibly marks the beginning of a policy or a plan that we may find applied in other directions.

On that basis I should tell you that this business of allowing in excess of 100 per cent of the cost is something that has worked very satisfactorily in many European countries. Therefore, where we seem to be bogging business down with high rates of taxation and then trying to devise incentives to lighten the load, and having the income tax authorities in their establishment of what the law is in decided cases, whittling away at the benefit you think you have under the law, I suggest an interim solution lies in increasing what I call the nontaxable factors recognized as costs before profit is arrived at. This method has a vogue in European countries, and the popular forms, in addition to depreciation allowances and other write-offs, are in investment reserve allowances and in depreciation reserve allowances. I commend them very much for the consideration of the Government.

The investment reserve is a nontaxable reserve permitted to be deducted before determination of profit, subject to later use by the company with Government sanction for capital business investment without being subject to recapture into income. Depreciation reserve permits the deduction of some percentage in excess of the cost of the depreciable capital asset.

These are really tax exemptions, but in the result the taxpayer is provided with nontaxable reserves for expansion and replacement on a more realistic basis. Informed sources suggest that these incentives contributed greatly to the resurgence of European economies.

In Canada we have moved in that direction for the first time in allowing in excess of 100 per cent of the amount of the cost in this field of scientific research. I suggest that we should not stop there, that we should examine very carefully these other areas that I have indicated.

I would point out that even our good neighbour to the south has now come to lean in that direction, because it appears that this depreciation reserve method has gained recognition in the United States where the President's program before the last Congress had two major means directed to the end of achieving a more vigorous economy, namely, depreciation reserve and investment credit.

I want to speak about investment credit. Investment credit is a reduction in tax equal to 8 per cent of the amount spent on machinery and equipment. The entire cost of the asset may still be depreciated in the regular way.

I was pleased to be able to find a peg on which I could hang those observations, because they have been views I have held for some time in trying to find an approach to this heavy burden of taxation. This is one way. If we cannot have tax reductions as such, then possibly in the area of nontaxable factors and the creation of benefits of this kind by allowing these special reserves, both investment credits and depreciation reserves, we may give some relief to industry so that it will have the resources and the ability within itself to finance more of its operations.

I want to speak next about Budget Resolution 6 to which my honourable friend referred. My friend suggested, as I have it noted, that the purpose of this resolution, and the several pages of the bill that covers it, is to encourage development of oil reserves, and that this is a special incentive. I think a careful analysis of these provisions—that is, if you get into them and really understand them—will convince you that they do not quite accomplish that end. I think the singing is in a much higher key than that of the actuality.

Resolution 6 is alleged to assist the oil industry by granting the right to a corporation in computing its income to deduct exploration expenses incurred in exploring or drilling for petroleum or natural gas in Canada and in exploring for minerals in Canada, not exceeding its income for the year from oil or gas wells in Canada. Companies whose principal business was and is oil, gas or mining have always had the right to write off their exploration expenses. Therefore, there is nothing new in this particular aspect of it.

However, the proposed change in the law is that these amendments are not confined to oil, gas and mining companies whose principal business is the production of oil and gas. These provisions are extended by this bill to allow a company which has income from oil and gas operations—even though that is not its principal business—to use the income from those sources and write off against it the cost of exploration and development work in oil and gas fields. However, a mining company which has no oil or gas income but which wishes to do some oil and gas exploration may not use any of its income to take care of those exploratory expenses.

Honourable senators, I do not see how these proposed amendments give any assistance to the oil companies whose principal business now is in the oil and gas fields; but it enlarges the area of those who may make use of oil

and gas income for purposes of exploration in oil and gas. Perhaps that assistance can be demonstrated in committee, but it is difficult for me to see it now.

Honourable senators, there are some features of the bill which may cause grave concern. For instance, if I acquire a lease or a right to explore for oil and gas, after this bill becomes law what I expend on the acquisition becomes part of my exploration and development cost, and therefore I write it off against my income from oil and gas operations. On the other hand, if I dispose of it at some later date, the proceeds of the disposition are brought back into my income. This is another illustration, similar to that which I cited earlier this evening, of giving with the one hand and, years later, taking away with the other hand.

It seems to me that where there is a gain on the sale of oil and gas leases, whether that gain is a capital transaction or an income transaction, it should be determined by the situation as it exists at that time. The position should not be that in all cases the acquisition cost is considered as part of the exploration and development and that, if at some later date the holder disposes of any part of the lease the proceeds of that disposition must be brought into income.

Since there may be some merit in this proposal, which I fail to see at the moment, and since I think there is merit in the existing law on those points, my suggestion is that there should be a right of election to the company, either to proceed on the basis that the acquisition cost is an expense and deductible and that the proceeds of disposition are income and are included in income, or to proceed on the basis that the company may treat it as a capital expense.

Honourable senators, from what I have said, you can see that this is a complicated bill. I think it is too complicated for the purpose which it seeks to accomplish. In other words, we are attempting so many refinements in the many pages of this bill that they block out every avenue of possible advantage to the taxpayer in relation to what was intended to be given by the bill. So far as I can see, the oil companies whose principal business is oil and gas operations are not being given much and yet it has taken many pages to circumscribe it.

Honourable senators, those are the three main resolutions on which I wish to comment. The only other point on which I wish to touch at this time is that to which the honourable senator from Gormley (Hon. Mr. McCutcheon) referred, namely, the section which deals with the transfer of credits under a registered retirement savings plan to another registered retirement savings plan or registered pension plan. We know that amounts received out of a registered retirement savings plan prior to maturity are subject to a minimum tax of 25 per cent, whereas amounts received under a pension plan usually are subject to a tax at very beneficial rates under section 36—that is where the averaging of the tax rate over a period of three years comes in.

Hon. Mr. McCutcheon: It may be more or less than 25 per cent.

Hon. Mr. Hayden: Yes, but I would say that, with respect to most of the people who would be in this area, it would be substantially less than 25 per cent. In view of the fact that I could transfer from a registered retirement savings plans to a registered pension plan and then afterwards take the money out of the pension plan, I would get the benefit of a lower rate.

Hon. Mr. McCutcheon: It demonstrates what I said about the ingenuity of the taxpayer.

Hon. Mr. Hayden: I feel this is so obvious that I could not credit any exercise of ingenuity as being responsible for that answer.

In my opinion, it would make good sense to allow payments prior to maturity from a registered retirement savings plan to be subject to tax under section 36, rather than make an apparent attempt to impose what I would call a punitive payment under section 39. I submit that also for the consideration of the Government.

Honourable senators, it would only add to confusion if I attempted any further elaboration of the provisions of this bill. For some time I have thought about many other matters relative to income tax, but rather than use this bill as a peg on which to hang them I think I should discuss them on some other occasion. I think there is a correlation in tax reduction, tax incentives, and the enforcement proceedings for the collection of income taxes but that the three are puilling in opposite directions, and that the tug-of-war is at the expense of the taxpayer. The taxpayer, by this bill, appears to gain something as a matter of law and the production incentives provided look as though a great opportunity were held out for the manufacturer to increase his sales, but then you find that he is boxed in and cut down. On the other hand, one finds at least two provisions in the bill which in my view turn out to be not what the taxpayer may have thought they meant, or perhaps not what his legal adviser may have told him they meant. The result is that the taxpayer finds that what he thought was a benefit is cut down.

At another time, when it becomes more opportune, I should like to develop in more detail the view I hold with regard to those three forces pulling in opposite directions, but perhaps for the present I have said enough, or possibly too much.

Hon. A. K. Hugessen: Honourable senators, I think we are indebted to the minister (Hon. Mr. McCutcheon) for his explanation of this bill and that we are also indebted to my honourable friend from Toronto (Hon. Mr. Hayden) for the remarks which he has just made.

I have little to say, but I want to reinforce what the honourable senator from Toronto said about the difficulty in understanding income tax legislation as it comes to us year by year.

Here, as the minister said, were a few fairly simple and easily understood budget resolutions—nothing very much, no great changes to be made in the Income Tax Act, a few minor matters, which I think have merit in themselves; additional allowances in certain cases for expenditures for production of petroleum or natural gas, and additional allowances for incentives for increased sales. Yet here, when we come to put into legislative form these comparatively simple resolutions we are now faced with a bill of 37 pages. The provisions dealing with this comparatively simple production incentive for increased sales cover six pages, pages 6 to 11. The provisions relating to the allowances for expenditures for petroleum or natural gas cover all of twelve pages, pages 19 to 30. Well, we all know the old adage about the mountain labouring and producing a mouse. In this case, I think it has been exactly the reverse—the mouse has laboured and produced a mountain.

It is difficult to know how we can avoid getting continually greater complexity into our income tax legislation. I do not know what we can do about it, but I am wondering whether something might not be done in that direction by the Royal Commission on Taxation, which commenced its sittings fairly recently, and is in very competent hands. It would be a great help to the people of this country as a whole if our income tax legislation could be redrafted in such a form that it was reasonably easy to understand, without the necessity of the poor taxpayer running, on all occasions, to his accountant and his lawyer to ask just what it means.

Hon. Mr. Farris: They may not know either.

Hon. Mr. Hugessen: No, but they will not say so.

As honourable senators know, our usual procedure in cases of income tax legislation is not to discuss it in this chamber at any length but to deal with it as well as we can at the time, and in greater detail in the Standing Committee on Banking and Commerce. I am quite sure that that procedure will be followed again with respect to the present bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

ESTATE TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-79, to amend the Estate Tax Act.

Bill read first time.

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

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that this bill be read the second time now.

Hon. Mr. Hugessen: I think my honourable friend is asking us to do a little too much. We did agree to the second reading this evening of the income tax bill, but unless there is some extreme urgency I do suggest to him that the bill to amend the Estate Tax Act be deferred in order that it may be considered next week in the Banking and Commerce Committee.

Hon. Mr. Brooks: I must have misunderstood our arrangement. My understanding was that both the income tax bill and the estate tax bill would be considered this evening.

Hon. Mr. Hugessen: I am sorry if there was a misunderstanding. I was asked whether this side of the house would agree to the second reading of the income tax bill this evening and I said that, subject to anything my honourable friends said, I was quite agreeable to that; but I knew nothing about the estate tax bill.

Hon. Mr. Brooks: If the acting Leader of the Opposition (Hon. Mr. Hugessen) is objecting to it, the bill should stand.

Hon. Mr. Hugessen: Of course, if there is any urgency—

Hon. Mr. Brooks: No, there is no great urgency.

Honourable senators, I ask that second reading of this bill stand, and that it be Order No. 1 on the Orders of the Day at the next sitting.

Hon. Senators: Agreed.

The Hon. the Speaker: Next sitting.

EXCISE TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-80, to amend the Excise Tax Act.

Bill read first time.

Hon. John M. Macdonald moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

PRIVATE BILL

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-13, intituled: "An Act to incorporate Baptist Convention of Ontario and Quebec"—(Honourable Senator Willis).

Hon. J. Campbell Haig: Honourable senators, I would ask that this order stand until tomorrow.

Order stands.

DOCUMENT TABLED

Hon. A. J. Brooks tabled:

Statutory Orders and Regulations published in the *Canada Gazette* Part II, of Wednesday, November 14, 1962, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

PRIVATE BILL

MERIT INSURANCE COMPANY—SECOND READING

Hon. Paul H. Bouffard moved the second reading of Bill S-14, respecting Merit Insurance Company.

He said: Honourable senators, this company was incorporated in 1953 and it has obtained since that time power to deal in many forms of casualty insurance, which it has engaged in. About one-third of its income is from the province of Quebec, and the balance is from the other provinces in Canada. Of its 67 offices approximately one-half are located in the province of Quebec, and the other half all over Canada.

The purpose of the bill is to allow the company to carry on its business transactions either under the name of Merit Insurance Company, which was the name given to the company in 1953, or the proposed French version of its name, "La Merite, Compagnie d'Assurances", and to transact its business either in French or in English or in both languages.

This is a standard type of bill that has come before the Senate and the House of Commons quite often in the past few years, and illustrates a good trend. I do hope the Senate will deal with it in the same favourable manner it has done with others of its nature.

Honourable senators, if the bill is given second reading, I shall move to refer it to the Standing Committee on Banking and Commerce.

Hon. Mr. Choquette: Did the company ever have a French version of its name?

Hon. Mr. Bouffard: No. It was incorporated under the name of Merit Insurance Company and that is all it ever had. It is now asking for a translation of that name.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 21, 1962

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

Prayers.

DOCUMENT TABLED

Hon. A. J. Brooks tabled:

Report, dated May 16, 1962, to the Minister of Agriculture, of the Commission (Mr. E. J. Alton, Chairman) appointed under Order in Council P.C. 1961-1710, dated November 23, 1961, to inquire into the equity of present rates of assistance on western feed grains to the provinces of New Brunswick, Nova Scotia and Prince Edward Island in relation to costs by various methods of transportation, and to make recommendations with respect thereto. (English text).

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-376, for the relief of Anna Annette Brahmi.

Bill SD-377, for the relief of Therese Beaulieu.

Bill SD-378, for the relief of Elaine Redmond.

Bill SD-379, for the relief of Daniel Gaston Jules Caron.

Bill SD-380, for the relief of Werner Burke Michelsen.

Bill SD-381, for the relief of Patricia Marjorie Maisonet.

Bill SD-382, for the relief of Juliana Magdelene Ashley.

Bill SD-383, for the relief of James Coade.

Bill SD-384, for the relief of Franklin Dale Hufford.

Bill SD-385, for the relief of Laurier Allain.

Bill SD-386, for the relief of Paul Orlivsky.

Bill SD-387, for the relief of Jethro Garland Crocker.

Bill SD-388, for the relief of Bernice Bordensky.

Bill SD-389, for the relief of Armand Gauthier.

Bill SD-390, for the relief of Doreen Klara Culmer.

Bill SD-391, for the relief of Margaret Rose McDuff.

Bill SD-392, for the relief of Marie Celine Pierrette Lapointe.

Bill SD-393, for the relief of Robert Inglis, junior.

Bill SD-394, for the relief of Gertrude Lindener.

Bill SD-395, for the relief of Patricia Sabetta.

Bill SD-396, for the relief of Pierre Lacasse.

Bill SD-397, for the relief of Edna Anne MacPherson.

Bill SD-398, for the relief of Willa Keith Thomson.

Bill SD-399, for the relief of Geralde Lalonde.

Bill SD-400, for the relief of Monique Mercure.

Bill SD-401, for the relief of Marie Aline Martine France.

Bill SD-402, for the relief of Elsie Clifford.

Bills read first time.

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

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

Motion agreed to.

ESTATE TAX ACT

BILL TO AMEND—SECOND READING

Hon. A. J. Brooks moved the second reading of Bill C-79, to amend the Estate Tax Act.

He said: Honourable senators, this bill, like Bill C-78 respecting income tax and which was given first and second readings yesterday, is based on resolutions presented to the other place on April 10 by the then Minister of Finance. This bill is not as extensive as Bill C-78, and I hope it is not as complicated. The income tax bill comprised 37 pages, and the estate tax bill comprises only five pages. The latter bill was dealt with in a very short time when it came before the other house.

I was interested to hear the honourable senator from Toronto (Hon. Mr. Hayden) yesterday state how difficult it was to understand the legal phraseology of the proposed amendments to the Income Tax Act. The thought occurred to me then that if the amendments present difficulty to the honourable senator from Toronto, how much more difficult they must be for some of the rest of us to understand.

As all honourable senators know, the Estate Tax Act was passed in 1958. It was the successor to the Succession Duty Act of that time. It received much attention in both Houses of Parliament, and particular attention was given to it by the Senate Banking and Commerce Committee. I was not a member of the Senate at that time, but I knew that careful study was given to the bill by the committee. Many recommendations were made by the committee at that time, some of which were then adopted, and I believe others have since been adopted. Most honourable senators, therefore, are quite familiar with the nature of this particular bill.

In 1960 other amendments were introduced in the Senate, and again there was a careful and thorough discussion by members in this chamber and also in the Banking and Commerce Committee.

There are not many changes proposed by this present bill, and I think it speaks fairly well for the operations of the Estate Tax Act that there have not been many recommendations for change. It evidently indicates that the act is a good one. However, as we all know, experience teaches us that with respect to all acts passed by Parliament, as time goes on, changes are needed to meet changing conditions, recommendations are made for amendments, and amendments are introduced to improve the act, to give relief in certain situations, to clarify others, and to plug loopholes in certain clauses which perhaps are being abused. This is exactly the purpose of this particular bill. Most of the changes are to give relief. There is some clarification and there are a few loopholes which need to be plugged, as it were.

This bill, like the income tax bill, will be referred to the Standing Committee on Banking and Commerce where there will be a thorough study made of it. The officials of the department and possibly others will be there, and if there are any difficulties I know they will be fully explained at that time. So in my review of the bill this afternoon I shall simply make some general remarks and, like other members, I shall look forward to a more detailed study when the bill is before the Standing Committee on Banking and Commerce.

With the consent of honourable members I would like to take the bill section by section.

Section 1, as you will see from the marginal note, is to declare the extent of beneficial interest in an annuity arising by survivorship. The proposed new subsection carries an explanatory note in which it is made clear that the value of the beneficial interest in any annuity or other interest purchased or provided by the deceased is to be ascertained without reference to any interest in expectancy, that is, that the assessed value will be measured as an interest in possession only at the time of the death of the deceased.

Section 2 deals with charitable organizations. This section puts an organization which makes gifts to government at all levels in the same category as any other charitable organization, so that those gifts can be deducted from the taxable estate.

As honourable senators will note, subsection 2 simply extends the existing one-year time limit to two years, as is indicated in the underlined words. Subsection 3 makes it clear that the words "two years after the death of the deceased", as stated in subsection 2, apply to the estate of persons who die after the coming into force of this act. This subsection is a retroactive provision and makes it clear that cases where death occurred after January 1959, when the act came into force, will also be included.

Section 3 has to do with situs. This has been a most difficult matter, as all honourable senators who have had anything to do with the Estate Tax Act well know. Though from merely reading it over the meaning seems quite difficult to understand, I think I am safe in saying that its effect is that if the deceased was domiciled anywhere other than in those provinces which have a succession duty—that is, other than Ontario and Quebec—the estate tax on securities is reduced by 50 per cent abatement, if the securities have to be transferred in Ontario or Quebec. If they can be transferred in his own province—that is, if the deceased were domiciled in New Brunswick or Nova Scotia, or any place other than Ontario or Quebec—the estate has to pay the full tax. I think honourable senators will find that is the effect of clause 3.

Hon. Mr. Reid: What does the word "situs" mean?

Hon. Mr. Brooks: "Situation" or "the place".

Hon. Mr. Hayden: The place where it is situated.

Hon. Mr. Brooks: Clause 4. This amendment makes it possible for the taxpayer, before an assessment is issued, to file a waiver permitting the minister to re-assess after the four-year limit on re-assessments has passed. A four-year limitation period is provided by the law at the present time. If the taxpayer waives the minister's four-year limitation the minister will give the estate notice of assessment at once, and the portion of the estate not in dispute can be distributed. One of the

reasons for this is to assist the administration of estates where pending litigation might extend over the four years.

Clause 5 is a simple clause, though it is quite extensive. As we all know, diplomats' estates are not taxed as property owned in Canada as regards possessions required for their work here. This amendment affords the same courtesy to a foreign official or representative working in Canada for one of the specialized agencies of the United Nations. A good example of that, I believe, is the case of an employee of the International Civil Aviation Organization which has its headquarters in the city of Montreal.

Section 6 is one of the most difficult sections in the bill and probably one of the most important. Under the present act the department has a statutory lien on the real estate of a deceased person. In many parts of Canada, I understand, the registry office officials in the different provinces found it difficult to give a clear title to property on account of this lien, and they have requested that a change be made. Hence, this section provides that a lien only exists against real estate for estate tax if the registry records show it belonged to a deceased person or that he had an interest in it.

Now subsection 3 on page 5 is, I think, in response to representations that have been made from certain provinces, as well as from the desire to alleviate this difficulty in the department. Its effect is that where any province agrees not to allow transfer of real estate of a deceased person until the tax office has released its interest in the same, the minister's lien does not attach. That is, if the province or the registry office will guarantee that no transfer of property will be recorded until a release is obtained from the department, the statutory lien will not attach. I believe Manitoba, Alberta and British Columbia have on their own account already agreed to this informally in practice, and it is to be hoped that the other provinces will also be in agreement.

Hon. Mr. Aseltine: How can you safely purchase real property from an estate if you are not sure you are going to get a clear title to it?

Hon. Mr. Croll: If you ask the department for title they will give it to you.

Hon. Mr. Brooks: This is the difficulty we are trying to correct, and I think if the honourable senator will look into it carefully he will see that his own province was one of the first to ask for this particular section.

Hon. Mr. Aseltine: We have had trouble out there.

Hon. Mr. Brooks: This will help, I am sure.

Hon. Mr. Aseltine: I do not know whether it will or not.

Hon. Mr. Brooks: Section 7 simply provides that, whereas presently only a person who is on record as an appellant or objector may obtain information under this clause, any other person who is entitled to be interested in the estate can in contemplation of an appeal get information concerning it from the minister. It just broadens the provision.

The last section has to do with corporations controlled by a deceased. In the committee, no doubt, we can get much information as to why this section has been included. I understand it is on account of abuses which have arisen. The new definition is to the effect that if the deceased actually controls a corporation that is all that matters. How he controls it, whether by holding a majority of the corporate stock through a parent company or in any other way, makes no difference. The definition of "control by the deceased" is satisfied if at the time of his death he is in actual control of the company.

Honourable senators, there is nothing further I wish to say regarding the bill, but I shall endeavour to answer any questions honourable senators may have.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, November 15, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. J. W. de B. Farris: Honourable senators, while in Vancouver I wrote to my leader (Hon. Mr. Macdonald, Brantford) stating that I would like to make a short speech in this debate, but since arriving in Ottawa and having a little time on my hands I have discovered so many interesting things that I think ought to be discussed—things that are contained in the Speech from the Throne, and things that are not—that I fear I may trespass on your time longer than I promised my

leader I would. However, I have this fact to plead, that while I make speeches that are too long I do not make them very often.

First I wish to extend to the new senators my congratulations on their appointments to the Senate. I have been a member of this chamber for 26 years, and in my opinion a member of the Senate of Canada holds the finest position it is possible to occupy in the public life of Canada. It gives one great responsibility; it gives one much freedom; and up until the present time it gives one some security.

I extend also my congratulations to His Honour the Speaker. It has not been my privilege to know you, Sir, as well as I knew previous Speakers, but I look forward with pleasure to developing that acquaintance. I am sure, from watching you perform your duties as presiding officer of this chamber, and from what I have been informed of by others who know you better, that we can all look forward to a most satisfactory performance on your part.

In this connection I would like to say a word about our previous Speaker. He was, Sir, as you will find, a shining example, and I know of no member of this chamber who having sat under his jurisdiction did not appreciate his ability and his extreme fairness.

Next, I want to congratulate the honourable Leader of the Government in this house (Hon. Mr. Brooks). He has some outstanding qualifications, the first of which is that he comes from New Brunswick. Not only does he come from New Brunswick, but he was born and brought up in the little shire town of Gagetown in Queens County, which is only nine or ten miles from where I was born and brought up. Gagetown was a fine little place.

Hon. Mr. Brooks: It still is.

Hon. Mr. Farris: Yes, and if I had not such a long list of things that I wish to speak about I would tell you a little story about it.

Hon. Mr. Brooks: The old house is still there.

Hon. Mr. Farris: Yes, and the Dingee Hotel —it is not "dingy" in the sense of that word.

Another qualification that my honourable friend has is that he is the successor to a host of leaders, all of whom have been excellent men. In saying this I am drawing on my knowledge of this chamber over 26 years. Only three honourable Senators have served here longer than I have.

The honourable Leader of the Government was for two years a member of the Government while then a member of the House of Commons. He showed real ability in his position there, and I know he will show it in this house. When I say "ability" honourable senators, I do not mean merely an intellectual capacity; I mean all those factors that go to make up a satisfactory leadership, including courtesy, thoughtfulness for others, and a willingness to co-operate with the other side and conduct affairs in a way that has been appreciated for many years in this house.

I should like to mention the leaders I have known in this chamber. There were senators Dandurand and Meighen. They were two champions when I came here, and they were mighty champions. Then there was Dr. King, who also came from Queens County in New Brunswick, Senator Ballantyne, Senator Wishart Robertson from Nova Scotia, and my good friend the late John T. Haig. I am glad to see his son here succeeding him. Then there was my distinguished friend, Senator Aseltine, who led this house so successfully, and, of course, I do not overlook my own leader (Hon. Mr. Macdonald, Brantford) who sits here to my left.

To the honourable Leader of the Government (Hon. Mr. Brooks) I say, we are proud to have you here, and I think you are entitled to be proud that you are holding this position in this chamber.

Next I would like to speak about our new member of the Government without portfolio. He is, I suppose, what you might call a free-lance minister. I congratulate him on being a senator, and I do that very sincerely, and I congratulate ourselves that we have him here as a senator. However, I am not quite sure about congratulating him on the job he has on his hands, because it is obvious he has been put here to help rescue a floundering government. In addition to his appointment as senator there is one other thing upon which I do congratulate him, and that is his appointment as senator and as a minister has caused Mr. Diefenbaker to perform the only intelligent reform of the Senate that, to my knowledge, he has ever proposed. I say that most seriously and after considerable thought.

For four years this house has been without a member of the Government. I think that is contrary to the spirit of the British North America Act which, in its first recital, has declared that in principle the Canadian Parliament is founded on the principles of the British Parliament. While we do not have some of the peculiarities, which would be highly undesirable here, of inheritance in matters of appointment to the Senate as it is in the House of Lords, we do know that the Lord Chancellor, who is one of the most important members of the British Parliament

and Government, always sits in the House of Lords. Although I have not checked the point. I have no doubt that there are other members of the cabinet who always sit in the House of Lords.

It is most important that we should have cabinet representation in the Senate. I have no hesitation in saying that the practice which has been adopted has not gone far enough. I submit that the Leader of the Government here should also be what his title would imply, that is, a member of the Government itself. The situation of no cabinet representation in the Senate has existed for almost four years, during which time my good friend the honourable senator from Rosetown (Hon. Mr. Aseltine) was the leader. During that time we refrained from making any criticism on this point, as we did not wish to embarrass him on the curtailment of his powers. I feel, honourable senators, that that reticence of ours would be applicable also today in the case of the honourable Leader of the Government (Hon. Mr. Brooks) if it were not for one thing, that it now threatens to be an established habit, a precedent. In my opinion the Senate should no longer continue without protest a precedent under which the Leader of the Government here is not a member of the Government which he purports to lead.

Honourable senators, I leave it to you to figure out why the Prime Minister has so deliberately slighted the Senate in this way. It is beyond my comprehension.

If I may be a little critical, in the most friendly spirit, I would like to refer to the speech of the new Minister without Portfolio (Hon. Mr. McCutcheon) and to that of my longtime friend, the new senator from Carleton (Hon. Mr. O'Leary). Both have criticized the statement of the leader of the house on this side (Hon. Mr. Macdonald, Brantford), which contained advice to us in regard to our duties respecting legislation coming from the other house.

As I understand it, the honourable leader on this side laid down some general principles as to how far the Senate should go in questioning or opposing legislation coming to us from the other place. He stated the limitations of the Senate in challenging legislation for which the Government has a mandate from the electors. I emphasize that word "mandate", as that seems to be the point which has not been properly considered by those two new senators.

The honourable Leader of the Opposition added to those general principles his own opinion that the present Government, which is a minority government, had not a clear mandate and consequently the Senate had a duty to make a more critical examination of that legislation than it would make in the case of a government having a clear majority.

Relying on my own experience of 26 years in the Senate, I thought, and I still think, that the opinion and advice given by my leader was sound and well formulated. Furthermore, I am conscious of his wide experience. For some considerable time he was a respected Speaker in the other place and I believe he gave great satisfaction in the performance of his duties there.

He was Leader of the Government in this chamber and at the same time was a member of the Government, as Solicitor General. Since the change of Government he has performed his duties as Leader of the Opposition in this house. It will be seen therefore that he has had wide experience in these matters.

Having heard or read what he said, and considering it from my experience, for what it is worth, I believe his attitude was a perfectly sound one. Therefore, I was indeed surprised to read the speeches of two of our new honourable senators, the senator who is now Minister without Portfolio (Hon. Mr. McCutcheon) and the senator from Carleton (Hon. Mr. O'Leary). Undoubtedly these two honourable gentlemen have been very distinguished in their own lines of business, but neither of them has had any experience either in the other place or here. That made all the more surprising to me their challenge of the opinion and advice given by the honourable senator from Brantford (Hon. Mr. Macdonald) to the members of this house. In my own humble opinion—and I say this most respectfully because of the high esteem in which I hold both of these honourable gentlemen—their reasoning was confused and their conclusions were wrong. The challenge these two distinguished new senators have made as to the powers and duties of the Senate is one of much importance to the Senate and if accepted would, I think, change the whole course of our responsibilities and opportunities to criticize legislation from the House of Commons. It is for that reason I propose to discuss their statements at some length. First, I want to read from the speech of the leader on this side of the house in this connection, which is the subject of this criticism. I read from Senate *Hansard* of October 4 last, at page 39:

> We should not—and I am expressing my own opinion—automatically resist every government measure which comes before us. To do so purely out of party considerations would be to hamper any effective government of our nation.
>
> Secondly, I have asserted in the past, and I do so again, the right of the Senate to amend money bills whenever the

amendment will not increase an appropriation or any charge upon the people. While maintaining the prerogatives of the Senate in this regard I have often expressed the opinion, which I still hold—and the honourable Leader of the Government in the Senate last year brought this forcibly to my attention—that the Senate should not lightly or without the most mature reflection seek to alter the terms of a money bill in such a way as to affect substantially the balance of ways and means.

Thirdly—and now I come to the more difficult question of mandate.

I want to emphasize this, because the discussion I am raising is really on the issue of what is the effect of a mandate and the lack of a mandate in regard to our jurisdiction, and not only our jurisdiction but our rights as to what we may do within our jurisdiction. He continues:

I said these words in 1957, I repeated them in 1958, and today I again repeat them:

I think that we would all do well to remember that the Senate has not, traditionally, resisted the adoption of any piece of government legislation for which a government has received a clear popular mandate—

That is certainly not this case.

—whether as the result of a general election or otherwise. Nor would it, in my view, be inclined to do so in future in the absence of the most compelling reasons for believing that the issue should be referred once again to the electorate.

Then I quoted a classic extract from the speech delivered by the Right Honourable Arthur Meighen when he was Leader of the Opposition in this chamber.

I call this particularly to the attention of my honourable friend, the senator from Carleton (Hon. Mr. O'Leary), because when he spoke he proclaimed Arthur Meighen as his hero. With that I have no criticism, because I think I have about as great an admiration for Arthur Meighen as for any man whoever led a government on the Tory side of the house.

My views are substantially the same as his. I will not take time to read what he said at that time. If any honourable senators are interested in what he said I would refer them to the *Debates of the Senate* for the 1957-58 session, page 37 where I quoted his words.

I do not need to read the rest of it, for it is all there for honourable senators to read. That is the text of what my leader advanced when he spoke on October 4 last, and it is one that I adhere to.

He went on to say:

Honourable senators, in consequence of the recent general election, the statement I have just quoted no longer stands. The government has now been elected by a minority of members to the House of Commons and these were elected by a comparatively small percentage of the popular vote.

Hon. Mr. HOLLETT: Thirty-seven per cent.

If that was any consolation to Senator Hollett, he was welcome to it. The honourable leader continued:

In addition it elected only a minority of members from the two most populous provinces of Canada. Nor has it indeed been demonstrated that the Government can command the support of the House of Commons for any appreciable length of time.

Accordingly, I feel that I should be just as frank now as I was in 1958. The Government remains in office by sufferance of those members of Parliament who, during the election, opposed the policies and program of the Government.

And those minorities, honourable senators, not only did it prior to the election, they are doing it today at every chance they can. They do it every time, except when it comes to the question of whether there is going to be another election or not, and particularly since the elections in Quebec, the by-election in Saskatchewan, and the elections in Newfoundland, except that they will still be more subservient, but nonetheless not be a part of the mandate of the public which gives the present Government any authority to do anything. The leader further said:

It has no clear mandate from the people, either as to general policy or as to specific measures. We must, as a responsible second chamber, take the general attitude that no piece of government legislation which might come before us in the current session could be said to have behind it a clear popular mandate.

I would have thought there could be no question about that.

Therefore, it will be necessary for us in each case to give all legislation even more searching investigation than has been our custom following a conclusive popular verdict.

Now, what do we find? Our honourable friends who have challenged that have presumed to give this house new advice as to how we should conduct ourselves. May I refer to Senate *Hansard* of October 10 last, in which, at page 66, the new minister of this house (Hon. Mr. McCutcheon) says:

> Honourable senators, there are countries where minority governments have been the rule rather than the exception. I trust that this situation will not arise in this country, but this is not the first time that we have had a minority government and it may well not be the last time. The point I want to make is that there is no such a thing as minority legislation.

Well, who in the world ever said that there was?

The minister continues:

> The legislation that comes to this chamber from the House of Commons will be passed by a majority of the persons voting on that legislation, and that legislation deserves no more or no less attention coming from the present Parliament than coming from any of the previous twenty-four Parliaments.

That, to me, is a very startling proposition. Before I say more about it I want to see what support that gets from my honourable friend from Carleton (Hon. Mr. O'Leary). I get that at page 96, and I read:

> Why all this wonderment; why all this amazement about what is called "minority government"?

There is no wonderment about it, and there is no amazement about it. The only amazing thing about it is that they got as many votes as they did. I read further:

> There is nothing strange, nothing new, nothing mysterious about minority government.

We were not discussing the rights or wrongs of having minority government. What the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) was discussing was that in the legislation of a minority government how far is there a mandate, and to what extent can there be recognition of that mandate.

I continue to read from page 96:

> Mr. Pitt governed England for many years; he never had an organized parliamentary majority behind him. In the 1890's Mr. Gladstone had two governments that were in a minority—actually dependent on the Irish Nationalists of Mr. Parnell. I see that my most esteemed friend shakes his head; but we can discuss that some other day.

I will leave that for them to discuss.

> Of course, there is in Canada a classic example, that of Mr. Mackenzie King.
>
> So what is all this worry about now? I do not think minority governments are good, but they are not so desperate that legislation emanating from the House of Commons at this time must be looked at in a special light.

I don't know why not.

I continue:

> As the honourable senator from Gormley (Hon. Mr. McCutcheon) pointed out, there can be no such thing as minority legislation. If it were minority legislation, it would never come before us at all. It has to have the support of the majority...

What does this mean? These honourable gentlemen are undertaking to tell us where our limitations are as a Senate.

I say there are two distinct issues which are illogically mixed up in those statements of these honourable gentlemen, one is the issue of a mandate from the electors in the case of a minority government and the other is the question raised by the honourable leader on this side (Hon. Mr. Macdonald, Brantford) that in a minority government such as now exists the Senate shall regard the legislation as suspect.

Do my honourable friends say that it is not so? Do my honourable friends suggest that if they put through only legislation that they can get through by Mr. Caouette's sanction or Mr. Tommy Douglas' sanction, that that is a mandate for the Tory party policy as they presented it to the people of the country, or is that the policy that was presented to the people by Mr. Caouette and Mr. Douglas? Can you say today that this unholy alliance constitutes a mandate from a united nation, coming from the people? That is a question you have got to consider.

Hon. Mr. McCutcheon: Supposing we have support from the Liberal members?

Hon. Mr. Farris: That would be a lot better for you.

Hon. Mr. O'Leary (Carleton): They were the only party in the house that voted for the Social Credit policy.

Hon. Mr. Farris: I see my friend is again off the track. I say that if the Liberals were in power that would not justify tying our hands on the question of a mandate.

Hon. Mr. O'Leary (Carleton): You were discussing an unholy alliance, and the best example of the unholy alliance is when the Liberals got up and voted for the Social Credit policy.

Hon. Mr. Farris: I shall deal with my honourable friend from Carleton (Hon. Mr. O'Leary) before I get through. I see he is still confusing two different issues, as he did in his speech: one is the question of how long a minority government should survive by the vote of those who are not in favour of it, and the other is how far we should be handicapped on our mandate. That is the real issue and it cannot be confused with the issue that my learned friend has so skilfully sought to confuse in his speech and in his interruption of my remarks at this time.

The honourable gentlemen, both of them, have mixed up these two issues. I could discuss them separately but I would rather take them mixed up as they have been presented. One is the assertion that once a bill passes the Commons this establishes a mandate. It has been stated that there is no such thing as minority legislation. In my submission that is only a play on words. It is pure sophistry.

Of course there is no minority legislation coming to us from the Commons; it could not come here unless it was passed by a majority vote. But the question is not how it got here. The question is, are those who have supported it in the Commons standing on such common ground that it can be considered a mandate from the people which we are bound to accept. Now, I would like to hear my honourable friend from Carleton (Hon. Mr. O'Leary) say whether it is a sound proposition, for the minority Conservative Government with the help of a Social Credit minority, to say they have a mandate from the people, especially when that party opposed this Government at every step before the election and even now. Why, as recently as a couple of weeks ago Mr. Caouette said, "I will give this Government two weeks to reform and do certain things, otherwise we are going to help to kick them out." Is that the kind of mandate my honourable friends say the Tories have in the Commons that is going to tie our hands?

Hon. Mr. Roebuck: A marriage of convenience.

Hon. Mr. Farris: I have it down in my notes in stronger language than that and I have debated whether to use the expression or not.

Hon. Mr. Grosart: Does my friend suggest that because there is a minority government in the other place, it should not send any legislation up here?

Hon. Mr. Farris: Of course not. I never said that. What I am saying is that I am supporting the position of our Leader (Hon. Mr. Macdonald, Brantford), that when it comes here we are going to look it over, and if we see that there is a public mandate for it then there have to be strong grounds on which we should challenge it; but if that mandate is nothing but an unholy alliance or, as my honourable friend has said, a marriage of convenience, if it is a dishonest combination for purposes other than the country's benefit, then I say our duty is to regard it as suspect right from the start. This nonsense about there being no minority legislation should be brushed aside. Of course there is no minority legislation. When legislation comes to us from a minority, or from a combination of two minorities so absolutely opposed to one another that it should be brushed aside as not an honest union, our hands should not be tied in any shape or form.

Hon. Mr. O'Leary (Carleton): With great respect, it comes to us from a majority of the House of Commons. Are you saying that the Senate should sit down and examine the political labels of the people who voted for that legislation in the House of Commons?

Hon. Mr. Farris: You bet I do. I would not do that if it was passed by one party; I would not do that if the situation was one which I am going to deal with in a moment. I refer to the problem Mackenzie King had. But when we know that this legislation—and it has not come yet; they have been fiddling around so far—comes from a minority government, passed under the gun of another minority, then if you say our hands are tied on that, you are making a fool of the Senate.

Hon. Mr. Grosart: Honourable senators, did anybody on this side of the house suggest that the hands of the Senate should be tied?

Hon. Mr. Farris: I am sorry, I do not follow you.

Hon. Mr. Grosart: I believe the honourable senator made the statement that the suggestion was made from this side that, in these circumstances, the hands of the Senate would be tied. I think that was the phrase he used. I am now asking him if he will tell honourable senators when and where anyone on this side of the house made any such statement or one whose meaning might approximate that.

Hon. Mr. Farris: If you listen to the interruptions of my honourable friend from Carleton you will hear that.

Hon Mr. Grosart: Does the honourable senator intend to answer my question?

Hon. Mr. Farris: I did answer it, and I have told you where you can obtain the information. Of course I do challenge that statement. The honourable the leader on this side (Hon. Mr. Macdonald, Brantford) was not speaking of legislation which has already been passed, but of legislation which might be anticipated, not from a united party but from some alliance of Conservatives and Social Creditors or Tories and New Democrats. If the legislation is the child of the union of two unmarried parents it comes from an unholy alliance, and there is a well-known word to describe the offspring of such a union.

Hon. Mr. Grosart: Is the honourable senator applying that word to the legislation that comes here from the other place?

Hon. Mr. Farris: I do without any hesitation, if it appears to come as a result of an alliance between Conservatives and Social Creditors, and is legislation concerning which we know there is no common belief between the two, and when it is obvious that the only reason they are joined together is to hang on to office. Since the recent election in Quebec that is even more the situation than it was before.

Hon. Mr. McCutcheon: Why did the Liberals join them the other day?

An Hon. Senator: I think investigation will show the Liberals have not challenged third reading of any bill so far.

Hon. Mr. Farris: There has not been any legislation that amounts to anything so far.

Hon. Mr. Smith (Queens-Shelburne): You had better read yesterday's *Hansard.*

Hon. Mr. Farris: The honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) was pointing out to the house what our position will be with regard to amendment, and you cannot drag into that the question of the precedent of Mackenzie King. That has been raised here, and it is a useful way to point up the distinction.

In 1921 the Liberals had 117 seats, the Conservatives 50 and the Progressives 64. The Progressives and Liberals together carried on the Government, and there could not be any question of the kind I am raising now in regard to them. Who was the leader of the Progressives? One of the greatest Liberals we have in this country today, Tom Crerar.

Hon. Mr. Willis: He was not then.

Hon. Mr. Thorvaldson: He became that later on.

Hon. Mr. Willis: He was not then.

Hon. Mr. Farris: He was. My honourable friend to my left was associated with Tom Crerar, and he will agree that regarding general principles these Progressives and Liberals were in concert. Has anyone the nerve to suggest in this house that the union between those two, for the purpose of keeping the King Government in power, was comparable to the union between the Conservatives and Social Credit today? Honourable senators, that is just a blinding of yourselves to the actual facts.

Hon. Mr. Thorvaldson: Read Mr. Crerar's speeches in western Canada in 1921.

Hon. Mr. Farris: I have something to say about my honourable friend, and I shall deal with him later.

Hon. Mr. Willis: I just want to say that Mr. Crerar—

Hon. Mr. Macdonald (Brantford): Order, order.

Hon. Mr. Farris: I am glad to see that I am getting under their hides.

Hon. Mr. Thorvaldson: I think we are getting under yours.

An Hon. Senator: Go on, senator.

Hon. Mr. Farris: I am going on. I have had this sort of experience for a long time. I used to be in the legislature of British Columbia where this sort of thing was very common.

How long ago was it Mr. Caouette stated that he was giving the Conservative Government about two weeks to amend its austerity policy? What a humiliation it must be for a Prime Minister, who had the great majority Mr. Diefenbaker had at one time, now to have to sit in a minority Government and submit to that kind of dictate or else go out of office.

Hon. Mr. Grosart: Has the honourable senator any evidence that the Prime Minister has submitted to such a dictate?

Hon. Mr. Farris: I am talking, as my leader was, about future legislation. Does my honourable friend say that his Government—one of which he seems to be such an enthusiastic supporter—can stay in office without the support of these men who have defied them and every principle they stand for? That is the question we have to face at this time; that is the question the public of this country is going to consider, and not the interpretations of my honourable friend. That is all I want to say on that question. I think the members of the Senate at least understand what my position is on it, and the limitations of the issue that is raised.

Hon. Mr. Drouin: May I put a question before the honourable senator leaves that portion of his speech?

Hon. Mr. Farris: Yes.

Hon. Mr. Drouin: Does the honourable senator contend that in the case of a minority Government, on the question of deciding whether the legislation that comes over to this house is within the framework of a popular mandate, that the Senate should substitute itself for the House of Commons and that the Senate alone should decide whether the legislation coming here has popular support, when we are not elected by the people? Would such an attitude be very democratic? This legislation comes over to us, voted—

Hon. Mr. Macdonald (Brantford): Speech, speech. Question?

Hon. Mr. Farris: Let him go on.

Hon. Mr. Drouin: This legislation comes over to us, passed by a majority of those who were elected by the people, and it has been scrutinized by the other parties. Two parties have supported this legislation before it comes to us and necessarily so because we have a minority Government. Does the honourable senator contend that we should substitute ourselves for the elected representatives of the people and refuse to pass such legislation, and does he also claim that we alone should decide whether such legislation comes within the framework of the popular mandate that was given by the people of Canada to its representatives?

Hon. Mr. Farris: I say that the answer to that is a very simple one. If it appears that legislation comes over here supported only by two conflicting groups, groups that we know have no sympathy, no principles in common, then we are entitled to treat that legislation as suspect and not approach the examination of it as we would where there was a clear mandate. We do not put ourselves in the position of judging what the mandate of the majority of the people is, but we put ourselves in the position of recognizing what are the actual facts. Does my honourable friend suggest for one minute, if we see legislation coming here and we know it comes from a minority Government which has the support of Caouette, that simply because they both want to stay in office our hands are therefore tied? If he does, then it is a new dispensation in regard to the powers of the Senate.

Hon. Mr. Hnatyshyn: Would it make any difference if the Liberals supported the legislation? Would that be an unholy alliance?

Hon. Mr. Farris: If the Liberals did support the legislation they would only do so on the ground that it was based on a principle which both parties held in common. The Liberals are never going to support the Government with the simple object of keeping it in power. I can assure you of that. I am sorry I cannot get a little more intelligent interruptions.

Hon. Mr. Brooks: Make a little more intelligent statements.

Hon. Mr. Farris: The next subject I want to deal with is the Common Market. My learned friend the Minister without Portfolio (Hon. Mr. McCutcheon) is not involved in this, but my honourable friend from Carleton (Hon. Mr. O'Leary) is very much involved, and I want to cite what he said on this subject. The reference is to be found on page 96, at the bottom of the first column.

> The honourable leader then discussed the Common Market.

He was referring to the Leader of the Opposition (Hon. Mr. Macdonald, Brantford).

> This is a pet subject of mine, and I was delighted to hear him on it. I was glad that he mentioned the Common Market, because it gives me an opportunity to say things I think should be said in this house.

I am sure when he got that far we were all looking forward with pleasant anticipation to what my honourable friend would say next.

> One of the first things that should be said—and I do not say it offensively—

I don't know how else he could say it.

> —is that in Canada discussion of the Common Market has been almost wholly illiterate.

Knowing my honourable friend's long experience as a writer and author, I knew that he was using the word exactly, so I looked it up in my dictionary and I found that "illiterate" means "unable to read or write, or lacking in education". But let us continue with what my honourable friend said:

> Most of the people who were criticizing the Common Market had not taken the trouble to find out what it was about. When one spoke to them about the Rome Treaty, judging by their comments some seemed to think this was a pact between Pope John and the Archbishop of Canterbury.

Now, honourable senators, this is a big problem, this question of the European Common Market, and this is a serious allegation to be made not only against the people of Canada but also against the sources of information from which the people gain their knowledge about the Common Market. What are these sources? First, I suppose the people

themselves should be expected to get some information, but on a question of this kind that may be overlooked without having them branded as illiterate. They should get their information from Parliament, and also from the newspapers. In speaking personally for Parliament I do not presume to speak for the Commons, only for the Senate where I have already spoken on this subject. I refer to my speech on February 8 last, which will be found at page 106 of the *Debates of the Senate* of the last session of Parliament. In that speech I said this:

> To me the greatest problem at the present time is the proposal of the United Kingdom to enter the European Common Market. I assume there may be honourable senators here who are not any more familiar with the details of the Common Market than I was until, for the preparation of this speech, I made some special efforts to get to the bottom of it.

I did not describe them as my honourable friend describes them. I made some special effort to learn as much as possible about this subject, and I found that the policy was formulated in January 1958 by the Treaty of Rome. I then proceeded to deal with what I considered was the basis of that treaty and its application to these countries in Europe, and then I referred these "illiterate persons", if they wished more information, to the *Saturday Evening Post*. That is not a Canadian magazine, but it is a great magazine, and one could feel that in a detached way it would probably give a very impartial analysis of the Common Market. The *Saturday Evening Post* asked Mr. Christian Herter, a writer of distinction, to explain in full what the principles of operation and the effect of the Common Market were, and he did so, and I gave that reference to all, including the Ottawa *Journal* and other newspapers, so that they could get the information they wanted in that connection. For that reason I feel that as of that date I, at least, had performed a public duty in trying to eliminate this illiteracy from the people of this country.

Hon. Mr. Roebuck: And from the *Journal*.

Hon. Mr. Farris: Well, I am coming to the *Journal*. The issue has arisen about the policy of the Government under two different circumstances. The first relates to what was done and said at Accra. You will recall that there was a conference at Accra, which is in Africa, and which was selected as a meeting place for this conference by the British Government and by representatives from the Commonwealth. Among the Canadian leaders at that conference were two gentlemen of the present Government, Mr. Hees and Mr. Fleming. Strange to say, there was very great difficulty for the "illiterate" people of this country to find out what really happened there so far as Hees and Fleming are concerned, so I will refer to what the editor of the other paper in Ottawa, the *Citizen*, had to say.

My reference to that is contained in the speech I made last spring and which can be found at page 108 of the *Debates of the Senate* for the first session of 1962. Mr. Christopher Young, who had been a reporter on the *Citizen* and then, I understand, became the editor—and my honourable friend can tell me whether he is still the editor.

Hon Mr. O'Leary (Carleton): Yes, and a very good one.

Hon. Mr. Farris: Mr. Young had possessed himself in patience for some months, but then he broke loose. These are my words:

In this editorial—I should have used the word "article"

> —Mr. Young discusses certain attacks made on his reporting of the policies of Mr. Hees and Mr. Fleming at the Commonwealth Economic Conference at Accra in September. I understand that Mr. Young is now editor of the *Citizen*, and those of you who read his article will recall that Mr. Fleming accused him of slanting his reports on the grounds that he was related to Mr. Lester Pearson's wife. That seemed to get Mr. Young's goat, and I do not blame him. He says: "For the past four months, I have sat still while Finance Minister Donald Fleming informed the country that the news reports from Accra had been distorted, misrepresented or false."

I want you to keep this in mind, honourable senators, that it is a strange coincidence when we come to examine the reports of Mr. Diefenbaker's recent conference and discussions over in London that a second occasion has arisen where there seems to have been conflicts and misunderstandings as to what was said.

Mr. Young quoted every newspaperman who was in Accra, and he recited exactly what they said. He quoted Alan Donnelly in these words:

> Alan Donnelly, the correspondent of a carefully non-partisan news agency, the Canadian Press, began a despatch thus: "Trade Minister George Hees of Canada led a concerted attack by a number of Commonwealth countries today on Britain's move toward the Common Market."

He goes on and quotes from every reporter who was there, and I invite honourable senators to look up this article by the editor of the *Citizen* and see what complete unanimity there was in these reports as to the conduct of Mr. Hees and Mr. Fleming at the Accra conference in attacking the policy of Great Britain. I will not read them all because time is passing, but I suggest to honourable senators that if they have not read the article they ought to do so.

Of course, that does not stand alone. We come next to Mr. Diefenbaker's recent visit to the conference of Commonwealth Prime Ministers in London where, strange to say, for the second time there is sharp conflict between what the Prime Minister said he said there and what the press understood he said. In that connection there has been a great disturbance of the minds of not only the "illiterate" people of Canada but also of the "illiterate" people of Great Britain. You will recall, honourable senators, how indignant Mr. Diefenbaker was at the unfair reports of what he said and did which were contained in newspapers in both Canada and England.

Hon. Mr. O'Leary (Carleton): He had a right to be indignant. The reports were disgraceful.

Hon. Mr. Farris: I think some of them were, but there must have been an awful provocation for them to be made.

Hon. Mr. O'Leary (Carleton): Some journalists in London brainwashed our correspondents.

Hon. Mr. Farris: The honourable senator can make his speech later on; I will make mine now.

Senator O'Leary quoted some of these rotten statements made in England—and I agree with him they were rotten. Honourable senators will find them in his speech contained at page 97 of the current *Debates of the Senate*:

> But what was happening over here while Mr. Diefenbaker was in London? Over here an effort was made to stab Mr. Diefenbaker in the back. Everybody knows that.

I would not have thought so.

> I have the proof of it right down in my office.

And my honourable friend kept it there. He did not bring it here. He went on to say:

> I can show you that on the very day when two scurrilous journalists in London, one unfortunately on the old London *Observer*, the old organ of J. L. Garvin, and the other the London *Daily Telegraph*—what were they saying about Mr. Diefenbaker? The London *Observer*, of all papers, said Mr. Diefenbaker was speaking for "yokels on the prairies". Honourable senators, those "yokels on the prairies" are the people of whom Kipling wrote after the First World War:
>
> From little towns in a far land
> we came,
> To save our honour and a world
> aflame.

My honourable friend should have added to that another quotation from Kipling:

> If blood be the price of empire,
> Lord God, we have paid in full!

I do not want to get into any comparisons of that kind, and I certainly say that a statement such as this coming from those English papers was a rotten statement, and it was an unjustified statement.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: I say it is not typical of what Englishmen do and say, and it would not have been said unless there was very great provocation. So, we have two illustrations. But did my honourable friend tell us in his speech what Mr. Diefenbaker did say and the position he did take at this conference? If he did, I could not find it.

Hon. Mr. McCutcheon: The press release issued at the close of the conference sets out Mr. Diefenbaker's complete statement, and I shall see to it that the honourable senator receives a copy tomorrow.

Hon. Mr. Farris: Perhaps it does, but I say that that kind of resentment could not have come from decent English people unless there was grave provocation. I think that Englishmen, of all the races that I know, are the most self-restrained people in their outbursts of resentment. They are more self-restrained than are Canadians, and more so than my honourable friend is, but when they are provoked to make statements of this kind—rotten as they are—you cannot expect but that there was some provocation.

So, we have two instances of provocation. We have what was said at Accra and what was denied by the men who were there after they found it was unpopular, and the statement of Mr. Young repudiating that and giving actual quotations from what had been said and done there; then we have the instance in which Mr. Diefenbaker was so incensed at the misrepresentation of his speeches contained in both the British and the Canadian press. There must be some justification for it.

Hon. Mr. O'Leary (Carleton): Does the honourable senator think there was justification for what Mr. Chamberlain said about Sir Wilfrid Laurier when the latter was opposing Mr. Chamberlain's Empire Union proposals?

Hon. Mr. Farris: What has that to do with it?

Hon. Mr. O'Leary (Carleton): In speaking of these people he was so restrained. Were they all restrained? As an old Fenian, I say "no".

Hon. Mr. Farris: My honourable friend has paid me the compliment of interrupting me several times.

Hon. Mr. Reid: The honourable senator does not like it.

Hon. Mr. Farris: In regard to this terrible condition of "illiteracy" in Canada, the honourable senator from Carleton has a double responsibility. He is responsible as a senator and also as president and assistant editor of one of the biggest newspapers in Canada, published right here in the city of Ottawa. I invite honourable senators to read carefully his speech and see how much of this illiteracy he has wiped away. I could not find it. Perhaps I too am illiterate.

I have no criticism of the Conservative party or of Prime Minister Diefenbaker in presenting Canada's side to the Government of Britain. It was their duty to do so. However, they talk about "partnership". It was also their duty to realize that this partnership involves joint obligations and a recognition of the problems of both sides on this question. That is where the honourable senator's speech falls down and that is also where Prime Minister Diefenbaker's attitude has fallen down.

The honourable senator from Carleton (Hon. Mr. O'Leary) in his speech spoke often about promises the Prime Minister of Great Britain made and which, he says, were not kept. I do not agree with that. When this question was being discussed by partners, it was Canada's duty not only to point out our position but also to recognize the problem facing Great Britain and to consider how far we as Canadians could be of assistance. We know that the financial sacrifices Britain made during those wars far exceeded those that Canada made. While it is no reflection on us in any way, we know that sometimes Canada prospered under the war conditions while Britain was going down financially and being ruined.

I remember once after the first World War going into a bank in London and saying to my banker: "I am concerned about the expression in the faces of those I watch in the line-up to get buses; they look unhappy, they are not talking to each other; there is an air of distress about them." My banker replied: "Mr. Farris, before the war Britain was a wealthy country; today she is a poor country; and the poverty of Britain is due to her efforts in saving the Empire." Do I find any recognition, in the speeches of Prime Minister Diefenbaker or the honourable senator from Carleton (Hon. Mr. O'Leary), of the financial sacrifices Great Britain has made? Is there any recognition of the difficuties Britain may have if she goes into the Common Market or of the disastrous results that may occur if she does not go into the Common Market?

I have written down here rather hurriedly some of the questions I should like to ask those honourable gentlemen opposite. First, do they believe that Britain is facing a serious economic crisis? Also, I ask them if they believe that there has been great prosperity in the countries of the Common Market? Furthermore, do they believe that if Britain joins the market she will share in that prosperity? Again, do they deny the grounds of belief of Mr. Fowler? I mentioned him in my previous speech. He is President of the Canadian Pulp and Paper Association in this country, representing one of our leading industries and one of the largest exporters to Britain. In a speech which had nothing to do with politics, Mr. Fowler, when addressing his own men and entirely in the interest of trade, warned that it was in the interests of Canada and of the pulp and paper industry and the shipping industry to disregard the dire threats being made at present against Britain. He pointed out that it was better to have friendly competition with a prosperous Britain than to have a protected market in a decadent Britain.

Honourable senators, there is a host of these quotations, and I should like to give some of them. Sir Eric V. Bowater, president of the Bowater Paper Corporation, said that unless Britain joins the Common Market she faces a decline in her economy. He told the company's annual meeting that he shares the views recently expressed by a leading British businessman that the Commonwealth will be better off with a rich Britain in the Common Market than a Britain made poor because she stayed out.

I ask honourable senators opposite, do they believe in that, and if they do, would they still insist, if they had the power, on stopping Great Britain from joining this great market at her door?

We have a great market at our door. Britain may talk about breaches of promise. Britain came over here and offered Canada

a free trade policy. It was turned down. The honourable senator shakes his head. Perhaps the newspapers were wrong.

Hon. Mr. O'Leary (Carleton): No formal offer of free trade was made at any time.

Hon. Mr. Farris: Then there has been some more misrepresentation by a newspaper. If my friend's statement is correct, I would like to see it. In reference to breaches of promises, what about the promise made by the Conservative Government before the general election, that they would transfer to Britain 15 per cent of the trade going to the United States? The honourable senator denies it again?

Hon. Mr. O'Leary (Carleton): The Prime Minister said it would be desirable but he did not say he would or could change it.

Hon. Mr. Farris: I do not think my friend is doing Mr. Diefenbaker credit. It was certainly understood to be a promise, and was voted on by some people, at least, on the basis of a promise. And was it carried out? Certainly not.

Hon. Mr. Grosart: May I ask a question of the honourable senator?

Hon. Mr. Farris: No, I am getting tired of my friend asking questions.

Hon. Mr. Grosart: I merely wanted to ask—

Hon. Mr. Farris: No, I do not intend to answer the question. My friend has made his speech, and I understand that he got well trimmed on it, too.

Do they deny the grounds of belief of Mr. Fowler, as he expressed them to his pulp and paper companies, or of Bowater's, or of many business men, and the belief of the British Government, that it will be better for Canada to have friendly competition with a prosperous Britain than to have a protected market in a decadent Britain?

Honourable senators, in that connection I want my honourable friend from Carleton to understand that my criticisms of him are only because he inspired them by his speech. I mean no personal attack upon him. I have the highest respect and regard for him. Indeed, I shall say something about that in my concluding remarks. Just now, however, I do not know of anybody who could be more provocative in a speech than my honourable friend. I want to read something from his speech which I do not think he should have said, as appears in Senate *Hansard* of October 17 last, at page 98:

> I know, or I believe I know, that Britain is going to join the Common Market. I think it is a sad thing that ministers of a British government should come to this country over the period of a year and give the unqualified pledges they gave to the Government and people of Canada and now simply disregard them. This is the truth, and it cannot be denied. As I said a moment ago, look at the communiqué issued by the Prime Ministers' Conference, and compare that with the speeches made in Wales the other day. If that is not an exercise in cynicism, then I do not know what it is.

The next paragraph is interesting:

> You may ask: What do you believe in?

Well, I would have expected his answer to state what he believed in regard to Britain going into the Common Market. That was the issue, but there was not a word about that in what he said he believed.

> Well, what I believe in is this, that if Britain joins the Common Market we must find trade wherever we can find it, and I think that the Prime Minister has put forward a program that is capable of being worked out.

Well then, what is he kicking about on this question of promises? You know, there are different kinds of promises. If a man came to me and asked me to lend him $100, I would probably say that I did not have $100 on me but would ask him to come in to see me the next day and I would lend it to him. If that man came in to see me the following day and I said I had changed my mind, would that be a broken promise?

Hon. Mr. Hnatyshyn: It would be a Liberal promise.

Hon. Mr. Farris: Yes, a Liberal promise. The Conservatives would not make the promise at all. However, supposing the Liberals did make such a promise, and the next day declined, what has happened? No doubt the man would say, "I am sorry, too". But that is not a breach of promise in the sense where consideration is given to it. Now, there is no indication whatever that the Prime Minister of Great Britain at any time made a promise which influenced and changed the policy of Canada to Canada's detriment in relying on that promise. If there was such a promise, who would want to hold one to it, when my honourable friend says in the very next paragraph, well, we don't need to worry about it, anyway, because Diefenbaker has a solution for it and it will work out all right? Another thing I would question is my honourable friend's optimism about what Diefenbaker was going to do.

Honourable senators, I have said that as I see it the weakness of the position of my honourable friend and of his leader, the

Prime Minister of Canada, is that they have not by their attitude given proper consideration to the problems facing Great Britain. It is all very well to say what the effect is going to be and what the benefits are. It reminds me of the story of the little boy who went to his Dad and said, "Dad, little brother Willie has taken half the bed." His father replied, "Go back to bed. Of course, Willie is entitled to half the bed." To which the little boy rejoined, "But he has taken the half which is right in the middle."

So, my honourable friends in their dealings with the British Government are not entitled to make their claims regardless of the problems that are facing Britain. In this connection, I have not heard in their speeches or read in Conservative editorials any indication whatsoever of a philosophical appreciation of the problems that confront both Canada and Great Britain, nor any sympathetic consideration of what Britain must do for her own salvation.

I have before me, taken from the *Globe and Mail* of October 12 last, the text of the Common Market pamphlet, in which the Prime Minister of Great Britain says:

> We were able to explain in detail to the other Commonwealth leaders the reasons why, in our view, British membership of the European community would be a source of new strength, not only to this country but to the Commonwealth as a whole; and conversely, why a Britain detached from Europe would mean inflicting permanent injury on our common cause.

In the *Globe and Mail* of October 15 last is a column by Drew Middleton in which, referring to Prime Minister Macmillan, he says:

> The Prime Minister also expressed the Government's conviction that Britain would not leave the Commonwealth behind, once in the Community. Britain's power and value to the Commonwealth will be greatly enhanced . . .

Then I have before me press clippings from the London *Times*—an outstanding paper, which I think even excels the reputation and knowledge of the Ottawa *Journal*. It gives a complete report of Prime Minister Macmillan's speech, and I have marked one or two statements which he made:

> A new bond of common purpose has united our old ally France with our former enemy Germany. This in itself has greatly strengthened the prospect for peace.

That is part of this Common Market.

Have any honourable senators heard any discussion by the Opposition about Mr. Macmillan and the fact that this Common Market will be a contribution to peace? Yet, today we are wasting too much time here over discussions about paltry affairs of the world, with the gloom that hangs over it from day to day.

Then I ask you to turn to the last page of the report of the British Prime Minister's speech, which is carried practically in full in the *Times*. It reads as follows:

> If, as I trust, we are able as the result of further negotiations to make the great decision to enter Europe, Britain in Europe will be economically stronger.

There cannot be any doubt about that.

> Britain in Europe will have a double influence, both as a European country and one of the world-wide interests. Britain's power and value to the other Commonwealth countries, old and new, will be greatly enhanced.
>
> And we can hope that our European associates will share with us that outward-looking attitude by which alone the prosperity and so the peace of the world can be secured.

That is the kind of thinking that ought to be going on. Instead, we have had this attack on Mr. Macmillan and, as termed by my honourable friend, his simple attitude in regard to Canada and his breach of promise, which I say was not a promise in any sense but an assurance that they were going to do what could be done to protect the interests of Canada and the rest of the Commonwealth. They have done that.

Now, just one word more about my honourable friend from Carleton (Hon. Mr. O'Leary). I have picked him out more than anyone else. There is a Chinese proverb, the exact words of which I have forgotten, but which in effect says this: you find the most sticks and stones under the best apple tree. So, you will find the most controversial opportunity for debate with a man who is making the most provocative and, from my standpoint, the best speech. It is on that basis that I want to congratulate him. I want to express my sentiments in support of his admiration for Mr. Meighen. I regarded Mr. Meighen as a man who stood out for his convictions against the necessities of meeting an opportunity by shaping or changing his policy. I am glad that my honourable friend admires him for that position. I think, now that Mr. Meighen has gone, my honourable friend is the only real Conservative left.

In Victoria some three years ago, at a time when Mr. Meighen was still in good health, he addressed the Canadian Club there,

and General Clark, who was at one time a member here, asked me to move the vote of thanks. I was delighted to do so. The first thing I did was to read again Mr. Meighen's book, because by reading it I would know what I had to answer in his speech, for I knew that he always adhered to the same convictions. I ended my remarks by saying, "Ladies and gentlemen, he stood here tonight as we have always known him, unrevised and unrepentent." He came over and shook my hands and said, "I will never forget." I am sorry I never saw him again.

But I do congratulate my honourable friend, (Hon. Mr. O'Leary) for his principles and his capacity for making a fine speech. It is disturbing to me, as it must be to us all and to him, to realize that if his leader, the Prime Minister, is right, he has only a year and a half left in which he will be mentally competent to be a senator.

Now a word or two about my senator friend whom I have not had the pleasure of knowing too well, Senator Willis. I find that he made a speech, in which commencing at the bottom of page 164 of *Hansard*, he says two things:

> I would like to say in closing that never in my life, and I have been interested in politics for a long time, have I seen a more determined effort to detract from a great man, a great leader, and a great Prime Minister, than has been done in the case of the Right Honourable John G. Diefenbaker. I say to the honourable members of this chamber that the election campaign which culminated on June 18, in which the name of the Prime Minister was ridiculed by the use of the word "Diefenbuck", was a disgrace to Canada. But, as I was told by one of the members of my own constituency, they would sooner have "Diefenbuckers" than "Pearsonitis".

And that of course was the choice. I have not much sympathy for this abuse of a public man. It reacts very seriously against those who make it.

Back on May 10 of this year I wrote a letter which was published in the Vancouver *Province*, a Conservative paper, and which, like some other Conservative papers, the *Gazette* and the *Globe and Mail* as examples, find it necessary at times to be pretty critical of the Government, and I don't see how they can help it. The newspaper did me the honour of printing this letter in a prominent place on the editorial page, with my name at the head of it. I will read the letter:

> Today's *Province* (Thursday May 10th) reports Mr. Diefenbaker's speech at Brockville as making a personal attack on four gentlemen, whom he names—

I did not put their names in my letter, but one was Walter Gordon and I think another was the man who pretty nearly defeated Finance Minister Fleming in Toronto. There were four of them, and as far as I know they were all responsible gentlemen taking a strong side against the Government, which they were entitled to do and indeed was their duty to do.

I continue the letter:

> —and says are "the same old bunch of Pearson advisers who were back of the former Liberal Government." He continues—"They are your potential masters, a conglomeration of hopeless and hopefuls, a veritable Cave of Adullam—where all the misfits in creation are collected together, a cacophony of jargon."

I commend this to my honourable friend who was weeping so much about the expression "Diefenbuck."

> That the Prime Minister of Canada should himself indulge in such "jargon" seems incredible. If the tide of criticism and resentment against him and his Government is having this effect on him as the campaign starts, his friends should be alarmed about what his mental condition will be before the end of the campaign.
>
> Mr. Diefenbaker in consigning Mr. Pearson and his alleged advisers to the Cave of Adullam doubtless obtained his information about this Cave from the Old Testament, 1 Samuel, Ch. 22 (1) and (2).

Of course, Mr. Diefenbaker being, as I am, a Baptist, would naturally be familiar with the Old Testament. The letter continues:

> "David therefore departed thence and escaped to the Cave of Adullam ... and everyone that was in distress and everyone that was in debt and everyone that was discontented gathered themselves unto him and he became a captain over them."
>
> If Mr. Diefenbaker intends to substitute Pearson for David, to make him the captain of everyone in distress or in debt or discontented under the Diefenbaker Government, he will need a mighty big Cave to hold them all.

So I say to my honourable friend who is a new member of the Senate that you do not get far by these wailings over attacks on public men. If they are not merited, the rebound is far worse than the attack.

My honourable friend concluded his speech with these words:

> I close by saying that I am grateful to have been appointed by the greatest Prime Minister Canada has ever had.

That kind of stumped me.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: Do I hear applause on that? Was the applause directed to my remark or the quotation?

Anyway, honourable senators, I put the thing in my pocket, and at lunch time I was walking up the street in Vancouver and saw a prominent Conservative who was a good friend of mine, and I stopped him and asked, "Do you agree with this?" I could not get an answer. Then I continued on to a club where I was going to lunch, and saw another distinguished Conservative, a member of a large organization, and I knew he was a strong Conservative. I read this to him and asked, "Do you subscribe to that?" He replied, "I plead the fifth amendment." I quit there.

Honourable senators, I want to say this in all seriousness. I was brought up a Liberal; my grandfather was the first member in our county after Confederation; and my father was in provincial politics most of his life, and was Minister of Agriculture.

Hon. Mr. Choquette: Were they bitter?

Hon. Mr. Farris: Yes, they were bitter. I can leave that to my friend in Queens county to verify. We fought over our politics.

Hon. Mr. Brooks: There are different degrees of it, and you seem to have inherited a little more.

Hon. Mr. Farris: I have read and studied the life of Sir John Macdonald, and I do not agree with the old-timers view of him. I believe that Sir John Macdonald had one of the greatest imaginations a Canadian ever had, that he was one of the men who made Canada, and that he had a vision of which every Canadian today ought to be proud.

Then we come to Sir Wilfrid Laurier. I have a big picture of him hanging in my Senate room, and he looks down upon me. In the words of one of the authors of distinction, "This was the noblest Roman of them all". Indeed, the parties of Canada have been fortunate in the type of men they have had.

Then there was Dick Bennett, another Conservative. When I was at Regina, Dick was the member from Calgary in the territories legislature and leader of the opposition. I was a boy several years younger than he, and we used to walk out on the Prairies at night and talk. I had the utmost admiration for him then, and have always had. He was a fine man, and I think the Conservative party made a grave mistake when they did not insist on his remaining as their leader.

I could go on to mention others. Mackenzie King had a great deal more criticism than that which my friend is worrying about concerning Diefenbaker, but I want to tell you that, in my book, Mackenzie King contributed something to the unity of Canada that no other man in Canada at that time could have done. While it may have looked as if he were circuitous at times in the way he brought it about, he always had his mind set on one objective—as did Laurier and St. Laurent—the unity of Canada. Had it not been for the bravery and skill with which he did it, there might have been a cleavage in this country from which we would never have recovered, and then the doctrines of Caouette might have had a lot more force. Since he has been out of Parliament St. Laurent has received unanimous tributes from the Canadian Bar as a great statesman. I do not suggest any personal attack on Mr. Diefenbaker; I would not bemean myself by calling him "Mr. Diefenbuck", but I would certainly hesitate to say that he is the greatest Prime Minister Canada has ever had. I do not think his record justifies such a statement, and I do not think that the public of this country will ever give support to such an extravagant suggestion as that.

Honourable senators, I have spoken at considerable length, and I assure you that I am just about through. There are a lot of things I would like to talk about, were I not tired—and I know that you are too. However, I will not do so at this time.

One of the things I would like to talk about is the harm that is done to this country by the existence of too many parties. I think my friends opposite are in agreement with me on that. I know my friend the honourable senator from Carleton (Hon. Mr. O'Leary) is, and that he is a believer in the two-party system. So am I, but how are we going to accomplish it? I am going to make a suggestion. I have not the least idea that anybody will accept it at this time, but it is worth thinking about and I may have an opportunity to develop it a little more later. I refer to the single transferable ballot which, I think, would solve the problem to a large extent. It is not an untried device. I understood from the late Senator Haig, when we talked about it, that they had it in the province of Manitoba, and maybe my friend, his son, can tell me whether they still have it in that province.

Under the single transferable ballot, if there are three candidates running, you have on the ballot two columns for the first choice and the second. If anyone has a clear majority when the ballots are counted, then that is the end of it. However, if no one has a clear majority then you discard the first-choice votes for the third man and he is wiped out, and you take the second-choice votes for the third candidate and apply them to the two competitors for first choice. That has two effects. In the first place, it prevents the disenfranchisement of hundreds of thousands of voters.

I wonder how many voters there are in Canada today who voted for a third party. They have not had a single word to say about who is going to be elected because it is one of the other two parties who, under this system, would have the support of all the voters who wanted to vote—you would not compel them to vote—in the final decision. I say that would have two results: it would give a final representation to all voters, and it would tend to do away with the splinter parties, which would be a good thing for everybody.

I understand from a recent article in the *Globe and Mail* that something of that principle is now being adopted in France where two elections are held, the second being to determine those who do not have a clear majority on the first vote. A much better way is to have it all in the one ballot instead of two. We had this system in British Columbia in one election, and I helped to have this legislation passed. My friend Gordon Wismer was the attorney general at the time and I pestered him that this should be done, and he in turn persuaded Boss Johnson. The result of that election was that on the first ballot, if the old system had been applied we would have had a socialist government, but on the second ballot the Bennett group, being the largest group, became the government.

I am not saying that that is proof that it is, of necessity, a good thing for the country, but at least it illustrates how the system works, and its soundness in principle. Of course it is not popular with the Government in power. I know that because when I was a member of the government in British Columbia there was nothing we liked better, as a government, than a number of opposition parties; the more opposition parties there were, the better off was the government. Once Mr. Bennett had been elected on the single transferable vote, the first thing he did was to kick over the ladder on which he had climbed to power.

I am not trying to convince the Senate that this ought to be done, but I am saying it is a sound principle, and I believe some day, it will be adopted in this country. I only mention it as something to think about.

In conclusion, honourable senators, I thank you for the consideration that you have given me. I thank my honourable interrupters for the demonstration they have given of how illogical they can be, and I say to you all that the tragedy of life is that all these things we are thinking about must fade into insignificance when the great problem of the security of the world hangs over us like an ominous cloud from day to day. One day we hear Mr. Khrushchev making promises that sound good, and the next day we discover that he is not honest in keeping these promises. That keeps going on and on. However, I think we can congratulate ourselves that this Government is now, and I emphasize that word "now", working in co-operation with the Government of the United States, and I say let us never forget that our hopes must always be for co-operation with the President and people of that country.

In the Cuban controversy I cannot criticize the policy of this Government, but I should like to have seen it act a little more quickly. You know there were at the beginning one or two days when nobody knew what Khrushchev's response would be to the intentions President Kennedy had expressed, and I have no doubt that for those two days Khrushchev was thinking about what the rest of the world was doing. I would like to have seen our Government act just a little more quickly, regardless of whether they had been consulted or not, but I am glad they did come through, and as Mr. Green said, the Americans are thankful to us for what we have done. I think they would have been more thankful if we had been a little quicker.

I only mention these things because, after all, one does not want to be too partisan. Even my honourable friend, who seems to be a dyed-in-the-wool partisan, is not, I know, as partisan as he would pretend to be. I know that we are all concerned with the welfare of the world and of Canada.

On motion of Honourable Mr. Drouin, debate adjourned until Tuesday, November 27.

PRIVATE BILLS

THE EVANGELICAL LUTHERAN SYNOD OF WESTERN CANADA—SECOND READING

Hon. John Hnatyshyn moved the second reading of Bill S-9, respecting The Evangelical Lutheran Synod of Western Canada.

He said: Honourable senators, the purpose of Bill S-9, an Act respecting The Evangelical Lutheran Synod of Western Canada, is,

as the explanatory notes state, to give effect to an Agreement of Consolidation, effective as of July 1, 1962. If the bill receives second reading I intend to ask that it be sent to the committee dealing with private bills, but although the hour is late, I would like to give a little explanation as to the reasons for this bill.

The Evangelical Lutheran Synod of Western Canada was incorporated under special act, being chapter 65 of the Statutes of 1953. This entity was one of the Synods of the United Lutheran Church in America. The United Lutheran Church in America and four other branches of The Lutheran Church in the United States and Canada, namely, The American Evangelical Lutheran Church, The Finnish Evangelical Lutheran Church of America, The Augustana Evangelical Lutheran Church and The United Lutheran Church in America, by Agreement of Consolidation effective as of July 1, 1962, agreed to consolidate under the name of "Lutheran Church in America". The Evangelical Lutheran Synod of Western Canada was one of the Synods of the United Lutheran Church in America.

The territorial jurisdiction of The Evangelical Lutheran Synod of Western Canada, as set out in the private act of incorporation, included the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and that part of Ontario lying west of the 86th meridian of longitude, and the Yukon Territory and the Northwest Territories.

Under the terms of consolidation, this synod is to be known as the Central Canada Synod of the Lutheran Church in America, and the territorial jurisdiction is to be limited to the provinces of Saskatchewan and Manitoba and that portion of the province of Ontario lying west of the 88th meridian. It was considered that the words "western Canada" would be somewhat misleading in view of the fact that the provinces of British Columbia and Alberta will be in another synod.

Clause 2 of the bill amends the objects of the corporation to provide that the synod shall, in ecclesiastical matters, adhere to the Lutheran Church in America. This was felt desirable as there are other Lutheran Church bodies in the United States.

With reference to clause 3 of the bill, as I have mentioned, the Agreement of Consolidation changed the territorial jurisdiction of this synod, and it is therefore necessary to request an amendment of the incorporating act in this respect.

I hope that this short explanation will give honourable senators some idea of the purposes of this bill, and any question that honourable senators may have with respect to it will, I am sure, be answered in committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to Standing Committee on Miscellaneous Private Bills.

THE UKRAINIAN CANADIAN FOUNDATION OF TARAS SHEVCHENKO—SECOND READING

Hon. Mr. Hnatyshyn moved the second reading of Bill S-10, to incorporate The Ukrainian Canadian Foundation of Taras Shevchenko.

He said: Honourable senators, I would like to give a brief résumé of why this body wants incorporation.

Prior to 1940 there existed among the Ukrainian people of Canada various cultural, religious and political organizations which carried on their particular activities independently of one another. In 1940 leading citizens representing these various organizations decided that all activities should be coordinated in order that maximum assistance might be given in all fields of the Canadian war effort. The Department of National War Services welcomed this move and assisted in bringing about the formation of the coordinated body which became the Ukrainian Canadian Committee.

In the initial stages only five major organizations joined to form the committee which made a substantial contribution to the mobilization of the armed services during the last war. After termination of the war, the committee was charged with the responsibility of rendering assistance in demobilization and rehabilitation. The efforts of the committee in providing guidance and assistance to immigrants in displaced persons' camps and in Canada are well known.

By the time the challenges of war and post-war problems had been met the name of the Ukrainian Canadian Committee was well known, not only among Canadians of Ukrainian origin but also among all Canadians who had an opportunity to witness the activities of the committee.

In due course all political, religious, cultural and educational organizations among the Ukrainian Canadians, with the exception of the communist group, joined the committee. This committee now stands as the representative organ of over half a million people in Canada.

Many distinguished members of the various component organizations are convinced of

the necessity of a united effort and have indicated their willingness to make substantial donations and bequests for such a purpose. In order to assure the continuity of proper management of the funds for the propagation of Ukrainian culture in Canada, it was felt necessary to incorporate a foundation.

This procedure was endorsed by the old Canada Congress of the Ukrainian Canadian Committee in 1959, and was supported by some 40,000 persons who attended the unveiling of the Taras Shevchenko monument in Winnipeg last year.

With respect to the name, I am sure all honourable senators are aware that Taras Shevchenko was one of the most noted of the Ukrainian poets. He occupies the same place in the hearts of the Ukrainian people as does Robbie Burns in the hearts of the Scottish people.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to the Standing Committee on Miscellaneous Private Bills.

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—SECOND READING

Hon. Harry A. Willis moved the second reading of Bill S-13, to incorporate the Baptist Convention of Ontario and Quebec.

He said: Honourable senators, in view of the atmosphere of the debate today and the marriages of convenience that were spoken about, I hesitated to move second reading of this bill. However, this bill is to incorporate the Baptist Convention of Ontario and Quebec which forms the nucleus of Baptist churches in both provinces, and also to an extent beyond the western boundary of the province of Ontario.

In 1889 the Baptists came to Parliament and obtained incorporation, but it incorporated only the assembly of the convention. The convention meets in June of each year.

The act also gave the assemblies the right to set up six boards, such as the Home Mission Board, the Ministerial Superannuation Board, the Western Mission Board, and so on. Later, by amendment to the act the convention itself was given the power to set up two more boards and, accordingly, two more boards were set up. There are at present eight boards, sometimes operating in parallel and sometimes intermingling their activities.

This bill should succeed in setting up, once and for all, under one umbrella so to speak, one convention with all the powers under one board, and one board of trustees, without the intermingling of moneys, duties or powers.

The convention met in June 1958 and by resolution at that time appointed committees to study the method of putting all this under one roof. A unanimous motion was passed by the convention in June 1962, applying for this bill.

I am a member of the Baptist Convention in the province of Quebec, and in my humble opinion this action should have been taken many moons ago.

Hon. Mr. Hugessen: May I ask why the last section specifies that the bill shall come into force on the 13th day of June 1963?

Hon. Mr. Willis: The convention itself meets in Montreal on that date. The date is always set a year in advance. In June 1962 the date for the 1963 convention was fixed, and June 13 is one of those days. I wanted to have the bill brought into force at the time the convention and assembly would be sitting.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Willis, bill referred to the Standing Committee on Miscellaneous Private Bills.

The Senate adjourned until tomorrow at 3 p.m.

27511-5—19½

THE SENATE

Thursday, November 22, 1962

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

Prayers.

INCOME TAX ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. L. Beaubien, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-78, to amend the Income Tax Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Beaubien (Provencher): I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Beaubien (Provencher), for Hon. Mr. Hayden, reported that the Standing Committee on Banking and Commerce had considered Bill C-78, to amend the Income Tax Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Beaubien (Provencher), moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ESTATE TAX ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Beaubien (Provencher) for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-79, to amend the Estate Tax Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Beaubien (Provencher): I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Beaubien (Provencher), for Hon. Mr. Hayden, reported that the Standing Committee on Banking and Commerce had considered Bill C-79, to amend the Estate Tax Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Beaubien (Provencher) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, November 27, 1962, at 8 o'clock in the evening.

Motion agreed to.

EXCISE TAX ACT

BILL TO AMEND—SECOND READING

Hon. John M. Macdonald moved the second reading of Bill C-80, to amend the Excise Tax Act.

He said: Honourable senators, for the purpose of explanation this bill can be divided into two parts: Clause 1 deals with insurance and clauses 2, 3 and 4 with sales tax.

The purpose of clause 1 is to discourage the placing of insurance through nonresident agents or brokers. The amendment would impose a tax of 10 per cent of the net premiums under any contract of insurance entered into or renewal by or on behalf of a person resident in Canada if the contract is made with an insurer authorized to transact business in Canada, but through an agent or broker outside Canada. The amendment would result in the re-wording of certain provisions relating to the existing tax of 10 per cent on premiums paid by a person resident in Canada to an insurer not authorized to transact insurance in Canada, but there is no change in substance as regards this tax.

The new subsection 3 deletes the definitions of "British company" and "foreign company" and adopts a more general definition of

"insurer". Here too the word "policy" is replaced by the word "contract".

Then paragraph (a) of subsection 1 of the new section 4 continues to impose the existing tax on premiums paid to unauthorized insurers, and paragraph (b) imposes the new tax on premiums paid to authorized insurers if the contract is placed through a broker or agent outside Canada. Subsections 2 and 3 of this section are unchanged; and subsection 4 defines the broker or agent through whom the contract is deemed to be made where more than one is involved.

The new sections 5, 6 and 7 deal with returns to be made to the minister, the information required in such returns and the penalties for noncompliance.

Clause 2 of the bill provides a new subsection to section 30 of the act. It deals with the situation where motor vehicles, or tractors, or a machine, or tool for operation by a motor vehicle or tractor, are imported or purchased for a tax exempt use and subsequently resold or put to a use where they do not qualify for the sales tax exemption.

In the past the Department of National Revenue has taken the position that liability for sales tax existed without time limit where the article purchased for a tax exempt use was subsequently diverted to a use which did not qualify for the exemption. The amendment would fix a time limit of five years. The amendment also removes the liability from the manufacturer or original vendor who sold such equipment for a tax exempt use, and places such liability upon the person who, having purchased the equipment free of sales tax by virtue of its intended use, subsequently applies it to a taxable use or resells it to someone not entitled to buy on a tax-free basis.

Clause 3 deals with some changes and additions in the list of exemptions to sales tax; and clause 4 deals with the time the act shall take effect.

If this bill receives second reading today I shall move that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Cape Breton), bill referred to Standing Committee on Banking and Commerce.

SONS OF FREEDOM DOUKHOBORS IN CANADA

MOTION TO APPOINT SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Tuesday, November 6, the debate on the motion of Hon. Mr. Croll:

That a Special Committee of the Senate be appointed to inquire into and report upon the continuing problems presented by the Sons of Freedom Doukhobors in Canada and any problems related thereto;

That this said committee be composed of twenty honourable senators to be named later;

That the committee be empowered to send for persons, papers and records; and

That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

Hon. Donald Cameron: Honourable senators, by way of introduction, and following that most interesting and forceful speech to which we listened yesterday, may I, as one of the junior members of this assembly, express the hope that some of the rest of us will have the same vigour and vitality displayed by the honourable senator from Vancouver South (Hon. Mr. Farris) in the course of his address yesterday. May I extend the same compliment to my friend the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), because these men should be an inspiration to those of us who still have some years to serve in the work of this assembly.

I make one other observation, also by way of introduction, in connection with the kind of discussion which has characterized this session so far. I am, as I have said, but a junior member here, having come in 1955, but I have heard more political discussions in this chamber in the last seven weeks than in the previous seven years. Now whether or not that is a good thing, I am not too sure. Frankly, although I am classified as an Independent, I hold quite strong political views, and I admire people who stand up and express their convictions with clarity, firmness and vigour. That has been done, but I would hope that the time has not arrived when we will see too much of a narrowly partisan discussion in this chamber.

I think that some of my new colleagues who sit on the Government side have invited and deserved the kind of treatment they received yesterday, and maybe they are all the better for it.

Now, to pass on to my subject, and this is a rather difficult one, I am reminded of some years ago when I was in Stockholm. On that occasion I spent a number of days with two or three other Canadians in the company of a Polish professor of philosophy at the University of Stockholm, who acted as our guide, philosopher and friend. He was a most interesting character: he spoke nine languages, his wife spoke six, and their nine-year-old son spoke five.

In the course of our acquaintance we discussed labour, government, politics, management and education. While taking a delightful stroll through the Kungsgarten one afternoon this man said that in politics he believed in anarchism, the theory that formal government of any kind is unnecessary and wrong in principle. He thought the ideal society was one in which there was no need for law, that people would be so happy and satisfied with life that they would not need police and only a modicum of government.

When I asked him what he would do if someone walked up to him as he strolled in the park and proceeded to pilfer his watch, he replied that in this ideal society no one would want his watch because everybody would have one and would have no need for his. This seemed to suggest a pleasant although somewhat naïve kind of society, and one which would be a bit out of touch with reality as we ordinary mortals know it.

During the past few years Canadians have watched with growing concern the activities of a small Doukhobor sect known as the Sons of Freedom. They form a group of between 1,300 and 2,000 people who have developed a penchant for public mischief and the infringement of our laws, which would indicate that we have a rather serious problem on our hands. It suggests to me that so far as this group is concerned our program of education for citizenship of new Canadians has failed, that our school system has been unable to reach these people, or that our social welfare services have failed, or that our law enforcement has broken down. It may be that there has been a measure of failure on the part of all these services. At the same time, I think it only fair to state that our law enforcement officers have shown amazing patience, tolerance and restraint in their dealings with these people.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Cameron: I should probably have added one more factor to those already enumerated, namely, that apparently the leadership of this group or this militant sect is matriarchal. I have always heard that the female of the species is more deadly than the male, and the fact that the acknowledged leader of the present trek is a doughty female warrior called Big Fanny Stroganoff would suggest that the men in this group play but a minor and subservient role. This is literally the fact, and I shall say more of it later.

It has occurred to me, as we live in a city that has gained fame because of its redoubtable feminine leader, that one of the ways of providing a national task worthy of Mayor Whitton's steel, and one that would at the same time contribute to the public welfare, would be to ask Ottawa's mayor as a public service to go out and deal with this very real and complicated problem. Mayor Whitton has many of the qualities that would stand her in good stead in performing such a national task. If she should succeed where the rest have failed we might give her not only the keys to the city but the keys to all Canada as well.

We may laugh and joke as much as we like, but the situation so far as the Sons of Freedom are concerned is one that reflects on our ability as Canadian citizens to solve a problem which, unless solved or mitigated, will grow worse, and which could contain many elements of disaster.

We have only to think of the risk to public health that these people pose in the event of an epidemic, be it Asian flu, scarlet fever or any other sickness. Thirteen hundred people, ill-housed and without medical services, could cause havoc not only in the community in which they live temporarily but throughout the nation. Apropos of that, in yesterday's *Globe and Mail* there was a story which described the kind of conditions which could lead to this situation. It said:

> Rain and warm winds, melting light early snow, flooded the Coquihalla River during the night and forced the 1,000 Sons from their cheerless riverside campsite.
>
> It took them until 5 a.m. to complete the move to a Seventh Day Adventists' camp on higher ground near this town 100 miles east of Vancouver.
>
> Their tents and tarpaper-and-plywood shacks were dripping. Already short of food, the Sons lost more of the precious commodity in the confusion of mud and rain. A total of 3.09 inches of rain fell in the area yesterday and more early today.

That is a situation about which any health officer must be gravely concerned.

The honourable senator from New Westminster (Hon. Mr. Reid) has drawn our attention to the fact that the lawlessness of these people has already cost the country over $17 million in cash.

Other losses have been brought about in the added cost of law enforcement and in special housing for hundreds of people who had to be locked up or segregated, and losses by reason of the general atmosphere of uncertainty and insecurity which these people have created by their seemingly inexplicable behaviour.

I referred a moment ago to my anarchist friend in Stockholm. His beliefs would seem to have been of a kind with those of the Doukhobors. The following quotation from the report of the Research Committee of the University of British Columbia in 1952 is descriptive of their beliefs and challenging in its implications:

> Their beliefs centred on direct revelation and guidance, which denied the need for a church organization and by extension included a denial of governmental authority and of the right of anyone to use force in human affairs. The attempt to construct complete and logical systems of belief took them even farther, and the translation of belief into action was pursued without compromises which are usually labelled "common sense". In order to protect their existence, however, they developed ways to evade, mislead and passively resist the inquiries and requirements of the authorities.

The first Doukhobors arrived in Canada in 1889, and there were 7,427 of them. A few hundred more came in 1919, 1920 and in 1927, the last group coming with Peter Verigin, the son of the first Doukhobor leader in Canada.

The 1901 census recorded 8,858; the 1941 census 16,878; 1951, 13,175 and 1961, 13,234. The decrease in the total numbers is explained by the fact that many of them have broken away from the sect and have been assimilated as independent and self-supporting citizens.

As the honourable senator from Lumsden (Hon. Mr. Pearson) said, many of them have become successful and law-abiding farmers in Saskatchewan and in British Columbia. We even have a few in the Lundbreck and Cowley areas of southwestern Alberta.

Fortunately the large majority of these people present no problem; but the small Sons of Freedom group, variously estimated as being somewhere between 1,200 and 2,000 people, present one of the most complicated problems a tolerant and humanitarian community has ever been called upon to solve. It is one which, as the senator from Toronto-Spadina (Hon. Mr. Croll) said in his address, calls for tolerance, education and understanding. It is from this angle that I shall deal with the matter.

I said that any effective solution to the problem of the Sons of Freedom would require a great deal of understanding and knowledge of their background, their customs and their beliefs. I think it is safe to say that we have never had a more complicated group of people with which to deal.

These people have had a long history of conflict with established authority. In Russia it was conflict with the church, the state and the aristocracy. They were a poor, simple, peasant people and, over the centuries, as their conflict with authority continued, they rationalized their conflict as so many people do. Those who sought to repress them were the privileged classes, those who possessed wealth in material things. Therefore, not having wealth they made a virtue of their poverty. They were the dispossessed and those who oppressed them, in their eyes at any rate, were the landholders, the owners of wealth; so, in their eyes the holding of land was wrong.

One of their fundamental tenets and that from which much of the basic conflict stems, is that they, the Sons of Freedom, do not believe in the ownership of land. They believe that the land is a fundamental resource the same as the water and the air we breathe and should be free for the use of all people, everywhere. The Doukhobors who are assimilated into our Canadian way of life have given up this basic tenet of the Doukhobor faith and are looked upon by the fanatical Sons of Freedom as traitors to the true faith. The attitude of the Doukhobor to the ownership of land is one of the outstanding characteristics of this particular group—having neither land nor much in the way of material goods, they have made a virtue out of the circumstance.

There are a number of distinct personality qualities which, while being possessed by all people in some degree, are present in an almost exaggerated form among the Sons of Freedom. The first one, their feeling about the ownership of land and material goods, I have already referred to. The other basic characteristics are passivity, dependence, hostility, insecurity and difference.

It has been said that the typical Sons of Freedom Doukhobor is a quiet, passive, pleasant and agreeable person who is easy to work with. These qualities are liked by employers, by the police and in fact by all those who have had any dealings with them. Schulman, one of the university team which made a special study of this problem, in his book *The Doukhobors of British Columbia,* states:

> The most passive Doukhobors are severely disabled in their capacity to handle many of the problems of living. In the first place their security and self-esteem is seriously impaired by the lack of anything that might be called a "masculine" characteristic. In our society forthright aggression is a male prerogative and it is customary to include masculinity

> with aggressive competitiveness. The passive Doukhobor cannot do this and there is no specifically masculine set of Doukhobor characteristics that he can adopt to delineate his sexual role. Other factors of Doukhobor behaviour further undermine his concept of sex. In our society, women not uncommonly use their bodies and their clothing in a seductive way to attract and interest men.

This is Schulman talking, not me.

> The Sons of Freedom women use their nude bodies as desexualized objects to browbeat others. This custom of desexualized nudity, with its implication of complete indifference of the feelings of men, therefore diminishes their security in their sexual role.

It has been said that one of the reasons why Doukhobor men wear beards is that this distinctly masculine aspect was extremely important to them. It was something that women could not do. Similarly, he takes pride in his physical vigour and health, his capacity to do heavy manual labour, and he has a tendency to look down on work that women can do.

Because the passive Doukhobor suffers from an inhibition of self-assertion, it is difficult for him to take responsibility or to assume the duties of leadership. He is likely to say, "I am just a follower and I do what I am told". This, in part, explains the role of leadership in a Doukhobor community. It explains why they will follow people, even bad leaders, because it represents the easy way out from asserting themselves. Of course, this is a characteristic that is not always peculiar to the Doukhobors. Other people have been known to follow bad leaders in the history of the world.

Strangely enough, it has been suggested that this passivity, or lack of assertiveness, is the partial result of the matriarchal society in which he grew up. In the typical Doukhobor family or community children are under a severe discipline at all times. This does not mean they are treated unkindly. They are usually well treated, and are kept clean and well fed, within the limits of the resources of the home. But there is a code of absolute obedience to parental authority which has been typical of Doukhobor life for many generations; and it is a simple transference, so far as the individual is concerned, from the authoritarian regime in the home to the authoritarianism of a group or a leader.

It has been suggested that one of the reasons the women dominate the Doukhobor society, or the Sons of Freedom society, is that from a very early age the little girls are treated as young adults. At the age of eight or nine they are given responsibilities for household chores, minding younger children, minding the geese, and doing other things which would not be normal in our society until a much older age. They do everything in co-operation with their mothers and under their direction. Consequently, they mature earlier so far as their assertiveness is concerned. The little boys, on the other hand, are left on their own to a much greater extent. Most of the fathers find their employment away from home, sometimes coming home weekends and at other occasions not for months at a time. Under the circumstances, where these little boys were not in school, as the majority were not until recently, they did not grow up with a feeling of mastery of even the simple skills the father may have possessed. They grew up not only illiterate but unskilled as well, and this meant as a rule that their only opportunity in the labour market was in the uncertain and intermittent opportunities of the unskilled labour market. This situation, in turn, has aggravated the individual's sense of insecurity and dependence.

Dependence: Those who have studied the Doukhobors carefully state that the more passive Doukhobor male has little or no capacity for self-direction and no confidence in his own ability to make decisions. This explains why he so readily turns to some authoritarian figure, whether it be his wife, or mother, or some appointed leader, for support or direction in all affairs of importance.

The Doukhobor feels a tremendous need to belong to a group and often will do things which he knows to be wrong, or in which he does not believe, rather than risk expulsion from the group. One of the reasons for the antagonism of the Sons of Freedom to the public schools is that they believe a group can only remain stable if it is not subjected to disturbing outside influence, such as represented by public school education. When it is realized that education can be a disturbing factor, even in an educated society, it is not hard to realize how an illiterate dissenter, intensely jealous of ingrained beliefs and prejudices, should see in education a major threat to his way of life. Generally speaking, it can be said that the group is held together by fear arising out of ignorance. The Doukhobor feels that if his society was disturbed or changed through education, one of the main props of his dependence and security would be removed. This fact underlines not only the importance of educating

these people, but also the difficulty in providing a type of education which can achieve its results gradually and without driving the people into themselves.

Hostility: It is a striking coincidence that the Doukhobors who have succeeded in Saskatchewan, Alberta and British Columbia are those who have gradually lost their Doukhobor characteristics. They have lost their sense of dependence. Those who have not been so successful, or who, for one reason or another, have failed and are drifting around rootless in society, are usually the ones who can be found within the folds of the Sons of Freedom. These men, some of whom are just plain failures, or who are excessively passive individuals, do not cause too much trouble, but within this fold can also be found many who possess bitter and destructive feelings and impulses against society. They are frustrated by the restrictions of community living, by the moral code of the Doukhobor society and by the insecurity of their financial position. This fear and bitterness and distrust often expresses itself in burnings and dynamiting and other hostile acts. The hostility is expressed against the more successful members of the community, whether they be Doukhobors or others, against the Government and against established authority. Many of the attitudes of the Sons of Freedom towards education, industry and commerce can be explained in terms of the desire to express their bitterness and frustration against outside people or objects. They like to make people feel uncomfortable as a complement to their own insecurity and discomfort. This explains, in part, their addiction to nudism. They have found that removing one's clothes is a most effective device for making other people uncomfortable and angry. Yet it is typical of people like this, that women, particularly, rationalize this act as an expression of their own purity.

Insecurity: Little need be said about this characteristic of the Doukhobors' life. Their religious tenets, which have made a virtue out of a lack of possession of material goods, are bound to make them insecure. On the one hand, their illiteracy and lack of skills assure that they will always have an inferior position in society. One of the difficult tasks of the educators of these people is to bring them to understand that they will never improve their lot until they do train themselves to be competitive with other members of society.

Difference: It is one of the characteristics of our society that many people tend to look down on those who are different, who have different beliefs, who act and dress differently and, in the case of the Doukhobors, this feeling of difference has been transformed into an exaggerated feeling of insecurity and this in turn makes them want to hit out at established society.

One could go on at length in emphasizing the psychological differences which motivate and separate the Doukhobors from what might be called a normal society. I have simply outlined these characteristics in order to emphasize the fact that while the only road to the salvation of these people is through education, it can only be done through an instructional program that is adapted to their peculiar needs and circumstances and which is carried out under the direction of people who have been carefully and especially trained for the task.

Numerous experiments have been tried. At the time of the Piers Island separation of 1932, and the more recent occasion when the children were taken away from their parents and sent to school at New Denver, the hope was that by taking the children out of the parental climate and giving them a normal Canadian education it would help them to become better adjusted and more readily accepted in our way of life. However, I think it is recognized now that the New Denver experiment resulted only in making these children more confirmed, more literate rebels against our way of life. In other words, there was a hardening process which took place there and the tendency toward rebellion seemed to crystallize in that group more than others. All of which serves to underline the fact that if we are to rescue these people from their present maladjusted course, the commonly suggested plan of taking the children away from the parents is definitely not the answer.

Our answer must be found through the establishment in the Doukhobor community of some form of vocational training. This could be a combination of agricultural and trades training for the boys and household management for the girls, but such training must be carried out with the children living with their parents. It must be carried out with people who are especially trained for this particular task; it must be carried out with sympathy and understanding, and we must not expect spectacular results in a short period of time.

Generally speaking, it is my view as one who has had some experience in education, that it will be necessary to employ both teachers and social workers, and there must be several of the latter, to discover the good and constructive qualities of these people, and they have many. They are peace-loving in general, easily directed, and a friendly

people. They are clean, healthy and wholesome, and have a love for music. By working on these good qualities as one means of getting a community expression, we can gradually gain their confidence and it may be possible to slowly lead them to a different way of life.

Hon. Mr. Horner: Would the honourable senator allow me to ask a question before he gets too far away from this point about the children being separated from their parents? Does the honourable senator know if an attempt was ever made to separate the children from the parents other than for the purpose of having them attend school? To my knowledge there was never any attempt for any other purpose.

Hon. Mr. Cameron: This was one of the main factors, but the larger control experiments were cases where the parents were sent to jail. One of the hopeful signs today—and this is happening particularly at Hope, British Columbia—is that the younger Doukhobor women are insisting that the children go to school.

One final thing. It was announced in the press last night that the bylaw passed by the municipality of Kent, British Columbia, prohibiting the Doukhobors from moving into Agassiz, has been thrown out by Mr. Justice Whittaker as being invalid. I think anyone who examined the bylaw from the beginning realized that it was extremely bad law and the product of unstable and panic thinking. It is not hard to understand the reaction in a small community like Agassiz with an army of 1,200 to 1,500 people descending on them, and they took this action without thinking its implications through. Its implications are far-reaching and serious, and I am sure we are all exceedingly happy that Mr. Justice Whittaker declared the bylaw invalid.

This further serves to illustrate how easy it is for well-meaning Canadians, under the stress of emotional panic, to do things which are neither sound in law nor in public interest.

While the trek of 1,300 men, women and children through the narrow Fraser Canyon may be an uncomfortable and distressing phenomena, it should, nevertheless, be emphasized that these people had not broken the law. Furthermore, when people suggest that the welfare payments, upon which these people are subsisting at the present time, should be cut off, this is again a product of panic and emotional thinking. Even if all of these people were to be put in jail—and this obviously could not be done—we would have to house and feed them in jail. It would be much better to maintain them under our welfare program, than to compound the problem by putting them in jail or in an internment camp.

The answer may be to put these people on some kind of a reservation, possibly on an island in the Queen Charlottes, where they could be substantially self-supporting, and where the specially developed educational program I have suggested could be put into effect over a long period of time.

For all of these reasons I feel the suggestion that either a special committee of the Senate should be established to once more examine the situation, or that a royal commission should be set up, is worthy of support and encouragement. We simply cannot today tolerate the idea of neglecting and permitting to drift in literally rudderless isolation even 2,000 of our total population.

In this respect may I say that some days ago I wrote to the Attorney-General of British Columbia asking him for any information he could give me as far as his experience was concerned, and yesterday I received this letter from him:

> Dear Mr. Cameron:
>
> Thank you for your letter of November 8, regarding the Special Committee on the Doukhobors.
>
> Premier Bennett, on learning of the proposed Senate study of the Sons of Freedom question in British Columbia, sent a wire to the Prime Minister of Canada on October 11th as follows:
>
> > Greatly encouraged that Sons of Freedom question should be raised in the Senate and note your apparent interest in this matter today. Would respectfully urge that your Government take under advisement the desirability of acting upon Senator Croll's suggestion for a Senate Study Committee as this matter is now of National as well as Provincial importance. Be assured of every co-operation from British Columbia should your Government undertake to scrutinize this question as suggested.
>
> On the matter of general information I am probably an involuntary expert on the whole question, and if you would be so kind as to indicate any special area of enquiry, I would try to give you a useful response thereon.

I want to emphasize that the only way this can be dealt with effectively is through a program of education of a kind we have not yet attempted, because it must be based on people specially trained for the job.

Hon. Mr. Farris: What answer did the Attorney General receive to that wire?

Hon. Mr. Cameron: I am sorry to say I do not know.

Hon. Mr. Reid: The Attorney General wants to get rid of the problem.

Hon. Mr. Cameron: We cannot get rid of it.

Hon. Mr. Reid: But he is going to get rid of it that way.

Hon. Mr. Cameron: He might; that is a matter between governments. We cannot get rid of it; we have a responsibility. My feeling is that this is one of the useful things the Senate can do. Maybe the Senate can be the catalyst that will bring the governments together and bring some sanity and order into a highly complicated, embarrassing and difficult problem which does not reflect credit on anyone.

Hon. Mr. Reid: I hope you are on the committee.

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

DEPARTMENT OF NATIONAL HEALTH AND WELFARE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-4, to amend the Department of National Health and Welfare Act.

Bill read first time.

Hon. A. J. Brooks moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-49, to amend an Act to amend the Combines Investigation Act and the Criminal Code.

Bill read first time.

Hon. Mr. Brooks moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

FARM CREDIT ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-71, to amend the Farm Credit Act.

Bill read first time.

Hon. Mr. Brooks moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, November 14, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-3, to make provision for the disclosure of information in respect of finance charges.

Hon. Allister Grosart: Honourable senators, I rise at this time to support the general principle of clearer and simpler disclosure of the costs of consumer commodity financing in Canada. By "clearer and simpler" I mean clearer and simpler than the methods of disclosure practised generally in business today. I am not going to suggest that this one step will solve all the problems of this most complex matter.

During the last few days I have made an attempt to familiarize myself with this subject, and if it is wondered why I venture into these deep waters I can only say that I thought it my duty to inform myself on a subject which appears to me to be of considerable general and individual public interest.

I certainly do not want to minimize this problem. Much has to be done to make sure that the present charges in this field, which we sometimes call "instalment finance charges," are neither excessive nor exorbitant. However, I am not going to suggest what might be done in that larger field.

The bill before us suggests one specific step that might be taken. I am sorry to say that I do not think it is quite the right step. If I believed that this bill would achieve its objective, I would support it without hesitation and do everything I could to help see that it was made law.

I must admit that for some years before I was appointed to this chamber I read of the earlier bills of a similar character introduced by the sponsor of the present one, the honourable senator from Toronto-Spadina (Hon. Mr. Croll), and I had a good deal of sympathy for his endeavours and felt that it was good legislation. I felt much the same way when I heard his speech on the introduction of the present bill. Then I began to do a little studying and I changed my mind.

Perhaps I should indicate both the extent and the limits of that study. I do not pretend for one minute that I have gone into it as exhaustively as many honourable senators have. I have merely tried to inform myself as best I could in the short time available to me, and I have reached certain conclusions. Naturally, I have looked at the various acts —the Bank Act, the Small Loans Act, the Interest Act, and also those acts which provide for financing out of public credit by Government agencies and boards and through Government guarantees for various systems of financial assistance to extend credit. I looked at the Dominion Bureau of Statistics publications, the leading brochures and presentations of credit unions, sales finance companies, credit loan companies, and so on, all of which represents a large volume of literature. I have been particularly interested in reading the presentations that have been made to the Royal Commisison on Banking and Finance. The subject is quite exhaustively discussed in some of those presentations, particularly those of the sales finance companies—a term which I use to include all who are more or less exclusively engaged in that business.

I might say at this point that the terminology on this subject is confusing. All sorts of terms are used loosely, and one of the recommendations made, which I am sure will be considered by the commission, is that of reaching some degree of uniformity in the use of the these terms in common use, not only in business practice but also in legislation on the subject. Of course I have read the speeches made here recently, and some of those made on an earlier occasion.

At this time I think it proper for me to say that I am expressing purely personal views. I have not consulted anyone directly interested in this subject; I have not talked to anyone in credit unions, or anyone who is specifically in the business, nor have I talked to the sociologists who have become deeply concerned with this problem.

Hon. Mr. Macdonald (Brantford): This is not to be a political speech.

Hon. Mr. Grosart: I thank the honourable leader for his interjection. I do not know whether that is an expression of relief on his part. I can assure him it is not to be a partisan speech; it will not be a party speech; and it will not be one of those speeches in which the speaker begins by saying "This is not a party speech; I don't believe in party speeches in the Senate," and then proceeds to make a rollicking and decidedly partisan speech, such as we heard yesterday. That is the difference between my assurance that this will not be a partisan speech and the assurances given by some others. However, there will be one small area of partisanship, because when you look into the facts of the economy of Canada today it is difficult not to say, "Something must have brought this about; perhaps it was the Government in power". When you consider the facts it is sometimes difficult not to reach that conclusion —difficult for me at least, if not for others.

One of the first names I came across when I began to look into this matter was that of the honourable senator from Kennebec (Hon. Mr. Vaillancourt)—and I am sorry he is not here today—who has had long experience in one particular aspect of this problem, and, indeed, a vast knowledge of the whole subject. I am sure all honourable senators will agree with me that we are fortunate in having him and others like him who are equally well informed. However, I first came across his name as an expert witness before the Banking and Commerce Committee of the other place when it was studying this problem in 1937 and 1938. I was interested to see that the chairman of that committee was the late W. H. Moore, M.P., and I have no doubt, having known him and something of his literary reputation, that he was the author of the rather brilliant report of that committee in 1938. I mention his name because he was the member for fifteen years—1930 to 1945, I believe—for that part of Ontario in which I spent much of my life, Ontario county, known federally as Ontario riding. He was a neighbour of mine, and in the short time I had the honour of his acquaintance, I came to regard him as a great man, and my respect for his memory is considerable. I mention that because he is buried in a little cemetery in Pickering, from which area I have the honour to have taken my Senate designation.

The Small Loans Act, of which Mr. Moore may be said to have been the author, deals of course with only some parts of this larger problem of the extension of credit. It is true that all areas of credit are fairly closely interrelated, and perhaps the small loans area and the area that this bill brings into discussion are more closely allied than most. I think perhaps that may be the fact which has led the honourable senator who moved this bill (Hon. Mr. Croll) into some degree of error.

The bill, as it comes before us, is a simple bill and has merits that apparently are not attributable to some of the bills that came before us the other day. It is simple; it is clear in its language; and it has just five sections: No. 1 is the title; No. 2 is the definitive section; No. 3 the operative section, No. 4,

what somebody has called the "penalty section"; and No. 5 the regulations. I think section 3 describes very well the purpose of the bill. It says:

> Every credit financier who enters into a transaction extending credit to another person, as referred to in paragraph (a) of section 2, shall in accordance with regulations made under section 5, and before the transaction is complete, furnish such other person with a clear statement in writing setting forth
>
> (a) the total amount of the unpaid balance outstanding;
>
> (b) the total amount of the finance charges to be borne by such other person in connection with the transaction; and
>
> (c) the percentage relationship, expressed in terms of simple annual interest, that the total amount of the finance charges bears to the unpaid balance outstanding under the transaction.

Every credit financier is covered. Having reached that stage I began to ask myself, "who is a credit financier? To whom does this term refer?" In section 2, the definition section, paragraph (a) explains that:

> "credit financier" means any person who in the ordinary course of his business, whether operated separately or in conjunction with some other business, enters into a transaction with another person arising out of a sale or agreement for the sale of personal property to such other person whereby the whole or part of the price therefore is to become payable after the transaction is complete, and in respect of which finance charges are to become payable to such person.

Now, it is clear who is to become a credit financier. And, if my reading of the bill is correct, we are going to have a nation of credit financiers, because this refers to any person who in the ordinary course of his business enters into a transaction for the sale of personal property and charges any finance charges whatsoever.

Am I incorrect in assuming that these plain words would cover a situation such as this: A customer walks into a hardware merchant's store in a small town and says, "I want to buy a vacuum cleaner for my wife. How much?" The hardware merchant replies, "That will cost you $70 cash. If you do not want to pay cash I will have to charge you $80." That merchant then becomes a credit financier. He is doing this in the ordinary course of business. He is entering into a transaction with another person arising out of a sale. There does not have to be a written agreement for sale. This man is a credit financier, and under this bill he would be required to set forth in writing the percentage relationship of the extra charge in terms of simple annual interest.

For that reason and others, although I approve the principle, I think this bill is impractical. With all due respect, honourable senators, I think there is a very great danger in going too far with legislation that will not work. We have had noble experiments in the history of legislation before, and by and large I think most will agree that they have done more harm than good. I think this is a noble experiment, but I would respectfully suggest that the bill in its present form is not realistic in terms of business as it is conducted today.

Honourable senators, this is big business. I have tried to work out the figures by means of my own amateur arithmetic, because nobody seems to have come up with total figures. I have had these figures checked by an economist. It seems to me that the total annual credit business in Canada is about $8 billion, of which about $5 billion comes within this field of what I call consumer commodity financing. Those are the total annual amounts, and about 60 per cent is outstanding at any one given time. That gives a figure of about $5 billion of all credit, and about $3 billion of consumer finance credit. If we take the gross national product as $40 billion, then it can be said that about 12½ per cent of credit in this particular field is outstanding. I have used approximate figures for the reason I gave, but I think they are reasonably accurate.

Looking at it in terms of people, I think it is correct to say that about 4 million of the 4.8 million families, according to the latest census, are in some way involved in buying consumer goods on credit.

I am not one of those who hold up their hands in horror every time they are told that Canadians owe a lot of money for the goods they are using. I think that the use of personal and individual credit is just as important in the maintenance of a rising standard of living, and a continually rising standard of living, as is the use of commercial credit and government credit which is necessary for the increase in gross national productivity. I see no reason for going around blaming people because they are getting the immediate use of goods by having confidence in their own ability. I do not think you can blame them any more than you can blame a business for going out and buying machinery on instalments, or a government

which in certain circumstances finds it necessary to borrow money to carry on the business of government or to provide for the immediate generation public works which will be used for a long time.

I had intended to give a short rundown of the various areas in this business, because it is very interesting, but in view of the hour I will say to anyone who is interested that the information is summarized in the D.B.S. bulletin on Credit Statistics as of August 1962 (revised). I will merely read the names of some of the companies so that the whole picture can be put in focus.

There are sales finance companies which are in both the consumer goods credit business and commercial credit business. There are small loan companies which are in the cash loans business and, to the extent of $38 million, in the instalment credit business. There are the department stores, and the furniture, appliance and other retail stores. The chartered banks are in the business; the life insurance companies are to some extent in the general credit business, although not in the general area under discussion. The Quebec savings banks are in it. Also in the general credit business we now have the service field which takes in credit cards of oil companies and hotels, and we are all aware of the continual problems with respect to doctors' and dentists' bills, and other such bills.

I spoke a moment or two ago about the presentations made to the Royal Commission on Banking and Finance, and in that respect three things stand out. One is this tremendous diversity of interest that I spoke of. The second is that the people in the business are not altogether happy about each other. It is amazing to consider how many of these presentations filed contain complaints about competition from somebody else. The credit unions would like to see something done in this respect, and others would like something done about the credit unions. The loan companies would like something done about the way the banks are operating in this field. There is a general worry about competition.

In itself I think this is a good thing because this is a competitive business. While I am far from convinced that there are not excesses and abuses in this business I think from my study—which is not exhaustive—it is fair to say that competition is working to hold rates down. It certainly is so in what one might call the more respectable and legitimate elements in business.

The third complaint, and you have all heard of it, is about government credit. All these institutions say that in the last few years they have been faced with something new and very different with the entry of the federal Government into this field of credit. They say that the federal Government is competing with them. They mention home improvement loans, farm improvement loans, and they speak particularly of the activities of the Industrial Development Bank. In the presentation by one of the major companies there is mention of business that they tried to develop and which they had at the point of closing when suddenly the borrower went to the Industrial Development Bank. Perhaps I might be allowed to quote from one presentation without mentioning the name of the company, because I prefer not to:

> Naturally the lower cost of money was more attractive and where choice was available, the I.D.B. loan was accepted . . .

This is where I might say to the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) I take some satisfaction from this indication that the Government of Canada is operating in this field of consumer credit, and is thus bringing down the rates for the people of Canada. Whatever else may be said, I think it is clear that something is being done at the government level with this problem of tight money.

Perhaps I should add that there is some evidence of results. Just before I came in I was handed the current issue of *Newsweek*, which is an American magazine. I will read a few words from it, honourable senators, because I think it is good news:

> Worldwide industrial expansion is 7% over last year with the U.S. (coming out of a recession) and Canada registering the top gain of 10%.

Hon. Mr. Macdonald (Brantford): I am glad to have the information, but I am wondering what it has to do with this bill.

Hon. Mr. Grosart: I was speaking of the result of this particular element in this area of credit. I am suggesting that Government action had something to do with it.

Hon. Mr. Macdonald (Brantford): It may have.

Hon. Mr. Grosart: There is always a reason for good news and it is well if somebody can suggest the reason for the good news.

Hon. Mr. Brooks: Pass it along.

Hon. Mr. Grosart: In regard to the relationship of this credit to the overall national fiscal policy, I do not intend to deal with that now, as it is a big subject, further than to say that on two occasions, at any rate, the whole business was put under wartime controls—in World War II and in the Korean War.

The second area in which this impinges on the public interest is in its effect on the individual who has to borrow money. The bill before us provides an interesting suggestion. I believe that clearer and fuller disclosure, which seems to be the intention of the bill, is a proper starting point. I have indicated why I do not think this particular method of insisting that the disclosure be in terms of simple annual interest is a practical one. I gave one reason why I thought it impracticable and I now give another. It is an example taken from the literature of one of the finance companies. If a department store makes an instalment sale involving an unpaid balance of $30, repayable at the rate of $10 per month, that would make the outstanding loan payable over three months. The store then decides it had better get $2 over and above the $30 to cover its cost of processing the transaction. I understand that that comes to 40 per cent if expressed in terms of annual interest. On the other hand, a $10,000 mortgage on a home at the rate of 5¾ per cent over 25 years, would yield $9,000. This makes it look like a case of apples and oranges.

My experience in business is that if any merchant simply says: "I have to get $2 on $30 credit for three months at $10 a month", it is not possible to force him to put in writing: "This sale is in terms of 40 per cent interest". This is where we come into the area of impracticability. If it will not work, there will be evasion. I am sure that there is tremendous scope for evasion in this field.

I should like to give as another example the case of one who finances an automobile. If I were to finance the purchase of an automobile tomorrow, I would say "Forget the insurance; I will transfer it from my present car to the new car". Somebody else may say to the dealer: "I am buying a new car; you look after the insurance". It is a normal transaction. Comparing those two transactions, adding the cost of insurance in one and not in the other, and expressing it in the terms suggested in this bill, although the two transactions are essentially the same, the interest in the purchase in which the cost of insurance is financed would be two to three times greater than in the other case, depending on the total amount.

Honourable senators, I have a suggestion to make which I believe is a sensible one, and the honourable sponsor of this bill (Hon. Mr. Croll) might find it possible to agree with me regarding it.

I am not satisfied with the present situation. I suggest that we decide on some minimum, along the lines in the Small Loans Act, to take care of cases such as that of the hardware merchant I mentioned. I do not believe that everyone can be put under the necessity of expressing in a written contract what is being done. There would have to be some escape clause, as in the Small Loans Act. It provides that one does not come under the licensing clauses of the act unless one is charging in excess of one per cent per month. I do not suggest what the escape clause might be; that is not pertinent to my argument. In the case of those who are actively engaged in this type of business, the financing of commodity goods, such as department stores and perhaps banks, which is a tricky field but perhaps it should be brought under this, I suggest that provision be made whereby they must disclose not just the three figures mentioned in this bill, which does not go far enough, but all the information. I suggest that a standardized form be used which would clearly and separately show certain things in figures at least twice the size of the body type. One of the common complaints is that people do not see these figures, as they are hidden in the fine print. I think that is a legitimate complaint. We should insist that on the front page, on the face of the contract, in a box, there should be a standardized form which would clearly and separately show the following; the selling price of the goods, the down payment, the first balance owing, the total cost of all finance charges, then the second balance owing—in some cases, after the down payment, the borrower might owe still more; if so, let it be disclosed—and then the number, dates, and amounts of the instalments.

Hon. Mr. Isnor: May I ask a question just to clarify the situation? What would you do with a revolving account?

Hon. Mr. Grosart: When the previous question was asked, I said I was glad that it was asked; but as to this one, I am sorry it has been asked because having looked into the matter only briefly I regret to say that I do not know the answer. There are many kinds of financing. I am stating a principle. I am not introducing a bill, and I would not want to draft one. It is an extremely difficult subject, and I am neither a lawyer nor a financier.

Hon. Mr. Macdonald (Brantford): Perhaps this matter could be worked out if the bill goes to committee.

Hon. Mr. Grosart: I am quite sure it could. There are six or seven different types of accounts now in use by various department stores, but they all come down to the one essential principle. It might be necessary to keep sending out statements in connection with a revolving account, but that sort of thing is done every day in business, and it would have to be worked out.

Honourable senators, I do not want to take up any more of your time. I trust I have made my suggestions clear, and also made it clear that I am not opposed to the principle of this bill. I am well aware of the concern of the honourable senator who sponsored it. I have deep respect for his interest, integrity and purpose. I merely say that I do not see how it could work. I wish the bill could work, because then I would support it. I am not doubting the constitutional issue.

Hon. Mr. Aseltine: Might it not be a question as to whether it should come under provincial or federal legislation?

Hon. Mr. Grosart: It is a very big question. I have given it some study, but I am not competent to say. The suggestion has been made, of course, that whereas interest is within the federal jurisdiction, other charges may be within provincial jurisdiction, and the two might somehow be telescoped together. However, as the sponsor of the bill pointed out, the two are lumped together under the Small Loans Act. I understand that Mr. Varcoe, an eminent civil servant, learned in the law, felt that somehow these things could be brought together. I am one of those who believe that where there is a will there is a way. If the principle is accepted, if it is decided that something should be done to protect the public interest, I am quite sure that both the federal and provincial governments will get together. As a matter of fact, provincial legislation is coming a long way into this sphere, as in Alberta, and by recent legislation in Manitoba which, by the way, has not yet been proclaimed. I do not pretend to know any secrets, but it appears to me that the problem is being re-examined for the very reason I am mentioning, that they want it to make sense.

Thank you for your attention, honourable senators.

Hon. Mr. Roebuck: May I put a question to the honourable senator? I understood him to say that there is a problem here, but that it is possible for progress to be made. Under those circumstances, can we not agree that this bill should be sent to a committee where these ideas can be promulgated, examined carefully, and perhaps the suggestions he has made, if found acceptable to the committee, might be written into the bill? In that way we might make some progress, rather than kill a measure which has been in our hands for the past three or four years. I do not agree with the honourable senator's objections, but if the bill were referred to a committee it is possible that such amendments as he has suggested could be made.

Hon. Mr. Grosart: I would say this to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), that if my views have any weight, I would certainly support that suggestion.

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

The Senate adjourned until Tuesday, November 27, at 8 p.m.

THE SENATE

Tuesday, November 27, 1962

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

Prayers.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Supplementary estimates (A) for the fiscal year ending March 31, 1963.

Report of the Royal Commission on Government Organization (J. Grant Glassco, Esq., Chairman), volume 2, dated October 1, 1962. (English and French texts).

PRIVATE BILL

THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA—FIRST READING

Hon. Lionel Choquette presented Bill S-16, respecting The Imperial Life Assurance Company of Canada.

Bill read first time.

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

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 409 to 447, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

RULES OF THE SENATE

NOTICE OF MOTION FOR AMENDMENT

Hon. J. W. de B. Farris: Honourable senators, I give notice that on Thursday next I shall move an amendment to Rule 32 of the *Rules of the Senate of Canada.*

To clarify my proposed amendment, perhaps I should state what the present rule is:

> 32. A senator desiring to speak is to rise in his place uncovered and address himself to the rest of the senators—

That part I would retain in the rule.

> —and is not to refer to any senator by name.

My amendment is that those last words should be struck out.

SONS OF FREEDOM DOUKHOBORS IN CANADA

MOTION TO APPOINT SPECIAL COMMITTEE—ORDER STANDS

On the Order:

> Resuming debate on the motion of Honourable Senator Croll, seconded by Honourable Senator Roebuck:
>
> That a Special Committee of the Senate be appointed to inquire into and report upon the continuing problems presented by the Sons of Freedom Doukhobors in Canada and any problems related thereto;
>
> That this said Committee be composed of twenty Honourable Senators to be named later;
>
> That the Committee be empowered to send for persons, papers and records; and
>
> That the Committee be instructed to report to the House from time to time its findings, together with such recommendations as it may see fit to make.—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Honourable senators, I would like to ask your consent to let Item 3 stand until Tuesday next precisely on account of the appropriation bill that has just come to the Senate. It is impossible to proceed with this item tonight.

Hon. Senators: Agreed.

APPROPRIATION BILL NO. 7, 1962

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-86, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st of March, 1963.

Bill read first time.

MOTION FOR SECOND READING—DEBATE ADJOURNED

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

Hon. A. J. Brooks: Honourable senators, with leave of the Senate, I move that this bill be read the second time now.

Hon. W. Ross Macdonald: Before the bill is read the second time, may I ask the Leader of the Government (Hon. Mr. Brooks) if there are any copies of the bill available.

Hon. Mr. Brooks: Yes; there should be 25 or 30 copies available.

Hon. Mr. Macdonald (Brantford): Will they be distributed?

Hon. Mr. Brooks: Yes. Bill C-86 has just arrived, and I regret that honourable senators have not had more time to review it. The bill has just received third reading in the other place.

Honourable senators will recall that we passed three supply bills in the spring before the last Parliament was dissolved, and then again released supply Bill C-68 on October 24 last to provide for financial requirements to November 30. The present bill, which is in the usual form for interim supply bills, is to meet the necessary requirements for the public service up to December 31. It asks for one-twelfth of all items voted in the estimates except those set forth in section 2(a). These latter items have already received eleven-twelfths of the supply and are excepted from the present provisions. The amount to be released by this general request for one-twelfth is $303,189,049.67.

In addition to the one-twelfth which is sought in general, an additional two-twelfths is required for three votes in the Department of Public Works, and three votes in the Department of Transport. These items are set forth and dealt with in Schedule A of the bill. Honourable senators will note that this amount is $3,652,166.67.

Section 2(c) provides for an additional one-twelfth for certain items that will be found in Schedule B. The amount is $12,122,533.34.

Honourable senators will have noted that I tabled the Supplementary Estimates (A) for the fiscal year 1962-63, and I trust that copies of these have been received by everyone. Interim supply is also being requested with respect to the supplementary estimates. The general request is for nine-twelfths of the supplementary items to a total of $121,079,360.25.

Passage of this bill will mean that practically the same proportion of supply will have been released in regard to the supplementary estimates as to the general estimates.

An additional two-twelfths is required of the supplementary estimates in respect of one vote in the Department of External Affairs and two votes in the Department of Transport, the details of which appear in Schedule C of the bill.

The net total amount of these estimates is $9,430,166.67, and the total amount provided by this measure, Bill C-86, is $449,473,276.60.

In no instance is the total amount of any item, in either the general estimates or the supplementary estimates that I have tabled, being released by this bill. The passage of this bill will not prejudice the rights and privileges of honourable senators to criticize any item in the estimates when the main supply bill comes forward. 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 the result of the passing of this measure.

I have here a summary of the supply bills of the fiscal year 1962-63 which I now ask leave of honourable senators to place on *Hansard*.

Hon. Senators: Agreed.

Hon. Mr. Brooks: The statement sets forth the total estimates for the year 1962-63 as revised, plus the supplementary estimates, and also the amount voted on previous appropriation bills together with the amount that is provided for by this bill. With leave, I place this summary on the record.

ESTIMATES 1962-63

(including Budgetary Expenditures and Loans)

	Total	Statutory	To be Voted
Revised Estimates ...	$6,169,778,260	$2,398,442,339	$3,771,335,921
Supplementary Estimates (A)	161,439,147	—	161,439,147
	$6,331,217,407	$2,398,442,339	$3,932,775,068
Payments from the Old Age Security Fund	623,650,000	623,650,000	—

SUPPLY 1962-63

Appropriation Act No. 3, 1962	
Two-twelfths generally of the Main Estimates plus additional proportions of 10 special items to provide for expenditures during April and May	$674,658,525.84
Appropriation Act No. 5, 1962	
Five-twelfths generally of the Main Estimates and additional proportions of 79 special items to provide for expenditures from June 1 to October 31	1,704,710,347.93
Appropriation Act No. 6, 1962	
The difference between eight-twelfths generally of the Revised Estimates plus additional proportions of 68 special items in those Estimates and the supply already granted (which was based on the original Main Estimates)—for November	231,819,569.82
THIS BILL (Appropriation Act No. 7)	
One-twelfth generally of the Revised Estimates and nine-twelfths generally of the Supplementary Estimates (A) plus additional proportions of 31 special items to provide for expenditures during December	449,473,276.60
Total amount released (including this Bill)	3,060,661,720.19
Balance to be granted	872,113,347.81
Amount to be voted, 1962-63	$3,932,775,068.00

The total amount released including this bill is $3,060,661,720.19. This will leave a balance to be granted of $872,113,347.81. The total amount to be voted for the fiscal year 1962-63 is $3,932,775,068.

Hon. W. Ross Macdonald: Honourable senators, it is obvious that we are dealing with quite a large sum of money tonight. It is impossible for us to go into the details of all the items, but I would point out that in the space of perhaps half an hour we are disposing of the sum of $449,473,276.60—practically half a billion dollars. The Leader of the Government (Hon. Mr. Brooks) has kindly agreed that in voting this money so quickly tonight we will not prejudice our rights to discuss any item at some future date.

Hon. Mr. Farris: Can the honourable senator tell us what would happen if we defeated the bill?

Hon. Mr. Drouin: We would not get paid.

Hon. Mr. Brooks: I was quoting the remarks of my honourable friend the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) when he was speaking in 1956.

Hon. Mr. Macdonald (Brantford): That is a very good precedent and I hope the honourable leader follows me in many other respects. I may say to my friend the honourable senator from Vancouver South (Hon. Mr. Farris) that I am not suggesting we should defeat it.

Hon. Mr. Farris: I do not refer to this bill, but to a later bill, when we are to be given the privilege of considering these items. What would happen if, in our wisdom, we were to defeat such a bill?

Hon. Mr. Macdonald (Brantford): Then the Senate would have to accept responsibility for that action. I am not even suggesting that we should do that.

Hon. Mr. Brooks: It would be quite a precedent.

Hon. Mr. Macdonald (Brantford): Honourable senators, we should consider most carefully bills involving expenditure presented to us here. We are prevented from going into them in detail, since they come to us at almost the last hour of the day on which they are required to obtain royal assent. There is no use in my saying that we are going to consider them in the future. I do not think we will give consideration to them, I may say very frankly. It seems to me that the final appropriation bill will come to us at the close of this session, on the very last day, when it will be impossible for us to give due consideration to it.

Hon. Mr. Drouin: May I ask a question? As one who is relatively new in this house, I am wondering how the Liberals proceeded when they were on this side of the house?

Hon. Mr. Hayden: In the same way.

Hon. Mr. Macdonald (Brantford): The only difference, when we were on the other side of the house, was that we complained to the Government of the day about the lateness of the hour that the bills came to us.

Hon. Mr. Drouin: And you were never listened to.

Hon. Mr. Macdonald (Brantford): I think that on one occasion we got the bill three days before prorogation, which was something. It was better than has been done by this Government. If the present Government aimed at that, they might get these bills to us even earlier. We did not sit idly by; and I do not think we should sit idly by now.

Honourable senators, tonight the question is a different one. This is an interim supply bill. The Government must have money to carry on the business of the country during the month of December. One may ask why the Government has not got the money. It does not get it until this bill is passed by Parliament. The revised estimates for this year have not been considered in the other house, with the exception of one for the Department of Agriculture. So the Government cannot get any money unless it comes in this way and receives it, and I do not think we are going to prevent the Government from getting it.

Honourable senators, what amazes me is that the Government is asking for money for only the month of December. What is going to happen in January? We shall not be here much after December 15, at least I hope not. If that is the case and we have gone home, how is the Government going to pay its bills in January?

Hon. Mr. Roebuck: By warrants of the Governor in Council.

Hon. Mr. Macdonald (Brantford): One way by which such bills could be paid is through Governor General's warrants, but I do not think the Government would do that. I think that within two weeks the Government will bring in another bill like this one. I repeat, I cannot understand why this bill provides for one month only. Why is it not for two months? I am not going to be too critical, but it seems to me that such bills come to us too slowly. This bill has already been before Parliament for two days, and I think the Government should have been able to do more business since September than has been done.

Hon. Mr. McCutcheon: We hope the time will be shorter next time.

Hon. Mr. Macdonald (Brantford): Well, that is a hope, but the fact is that over the years it has been longer than two days. So we are taking up at least twice as much time in considering these bills as we should take. Why is the amount requested for one month's supply only, when we know that within two weeks we shall have to go through the whole procedure again? It is, to say the least, monotonous. About a month ago we went over the same ground that we are going over now. I ask, is that the way the business of the country should be managed and our affairs conducted? I say to honourable senators on the other side that the conduct of the affairs of this country is in the hands of the Government and I do not think it is being done in a businesslike manner.

I do not intend to go over the items one by one. However, I should like to point out that we are going to save $228 million this year because of the revision of the estimates. Someone said that that did not include supplementary estimates. The original estimates for this year were $6,276,211,594. Now, those estimates were revised—they were shoved aside. The new estimates were tabled amounting to $6,048,214,560; that is a reduction of $227,997,034. That is the saving. If the government was not considering supplementary estimates, why not? I can understand when estimates are prepared in January, as the original estimates were, that the Government could not foresee additional estimates that would take place in October, November, and probably January and February of the next year; but these revised estimates were prepared in September this year. Now in November the Government finds that it did not include items amounting to $148 million. I can understand how there would be some amounts left out, but surely this is a substantial amount.

Honourable senators will remember having read in the press that ministers were sitting down with their pencils sharpened, and how all the departments had to submit their estimates and yet within two months $148 million more is required. What happens to the $228 million that was being saved? Well, $148,154,574 has already been spent, leaving the sum of $79,832,460 of the $228 million that was supposed to have been saved.

Hon. Mr. Roebuck: How large is the deficit?

Hon. Mr. Macdonald (Brantford): I do not know how large the deficit is, but I say to my honourable friend that all the supplementary estimates are not in yet, because if in September the Government could not foresee what would be required in November, I am sure it cannot see what is going to be required in March. When March comes around there will be more supplementary estimates, and the reputed saving of $228 million will have vanished.

Hon. Mr. Roebuck: That will be the Spring thaw.

Hon. Mr. Macdonald (Brantford): Well, maybe the spring thaw. I suggest it will be the Spring breakup.

I am not going to delay the house longer, but I felt I should bring to its attention the large amount involved and that we are not going to save any $228 million. I hope that in future we shall not have to deal with interim supply every month, or every two weeks, as will be the case for the remainder of this year.

Hon. Mr. Isnor: Honourable senators, before we proceed further, would the Leader of the Government (Hon. Mr. Brooks) be good enough to enlarge on item 35 in Schedule A, dealing with marine services? Some time ago I inquired about the removal of the tolls on the Welland canal, and I am interested in this item from that point of view. Perhaps the honourable leader could tell us what this amount of $3,250,000 represents.

Hon. Mr. Brooks: That amount is being spent on the St. Lawrence river and Saguenay river ship canal channels. It is for the acquisition of buildings, works, land and equipment, and the contracts called for the settlement of hold-backs in December. As a matter of fact, the amount represents one-sixth of what we are asking for, and not the full amount at the present time.

Hon. Mr. Reid: Can the honourable leader (Hon. Mr. Brooks) give any information on item 170 on page three of the bill, in the amount of $379,600.

Hon. Mr. Brooks: This is for roads and bridges, maintenance and operation, including authority to make recoverable advances in amounts not exceeding the aggregate amount of operating expenses for the New Westminster bridge.

Hon. Mr. Brooks: I take it that the honourable senator from New Westminster (Hon. Mr. Reid) knows something about that work, as it is in his own district and near his own home.

Hon. Mr. Reid: That is right. This is the first time I have seen an item of this nature for the bridge, and that has raised my curiosity.

Hon. Mr. Brooks: This is to cover necessary expenses on the New Westminster bridge. However, I will get more particulars on that for the honourable senator.

Hon. Mr. Reid: Thank you. I would like to have them.

Hon. Mr. Hugessen: These are said to be recoverable advances. From who are these advances recoverable?

Hon. Mr. Brooks: To which item is the honourable senator referring?

Hon. Mr. Hugessen: The allowances are said to be recoverable. From whom?

Hon. Mr. Brooks: I will be very glad to get that information.

Hon. Vincent Dupuis: Honourable senators know that I refrain from doing anything to prevent the passing of laws in this chamber. We have been told that legislation affecting the members of the Senate will probably be submitted to the other place and eventually come here. We do not know what will be the effect of the bill. If it is true that there is going to be a proposal to amend the Constitution as it affects the Senate, perhaps we will not have much cause to protest should the public learn that within a few minutes the members of this house voted a bill covering expenses for running the country amounting to almost $500 million—or half a billion dollars—without having any chance to study the bill in detail. Not even a copy of this bill was supplied to us in advance. I was told there were only about 30 or 40 copies of the bill available and they were spread around in the last minute.

Honourable senators, I do not believe we are justified in passing a bill for such a large amount in so short a time.

Hon. Mr. Aseltine: That is the way it has been done for the last 25 years.

Hon. Mr. Dupuis: Well, if we have been wrong for the last 25 years it is no excuse to be wrong again.

Hon. Mr. Drouin: That is why you are on the other side of the chamber.

Hon. Mr. Dupuis: Honourable senators know very well that I do not want to obstruct the passing of any bill, but this question of voting so large an amount in so few minutes is not justified, even if my honourable friend (Hon. Mr. Aseltine), who enjoyed great success as leader of the government, says that that procedure has been followed for many years. It is no excuse. When he was in the opposition I am sure, if my memory does not fail me, he often criticized the passing of such a bill in such a short time.

I had intended to find out from these estimates what salary is paid to Mr. Donald Gordon, the President of the Canadian National Railways. I want to know how much this country pays this very distinguished and able gentleman, and whether we could not increase his salary because he gives to the Canadians of French origin a chance to be allowed at least to fill such important positions as water carriers.

Hon. Mr. Croll: Oh, no.

Hon. Mr. Dupuis: As an ordinary senator, I know I have no right to move an amendment to increase the wages of civil employees, but had I that right I would submit that if the salary of this gentleman is covered in this bill we should move that it be increased.

Hon. Mr. McCutcheon: Does the honourable senator want to increase his salary?

Hon. Mr. Dupuis: The salary of whom?

Hon. Mr. McCutcheon: Mr. Gordon.

Hon. Mr. Dupuis: Yes.

Hon. Mr. McCutcheon: You want to increase his salary?

Hon. Mr. Dupuis: Well, I have not the right to do that.

Hon. Mr. McCutcheon: I agree that it should be increased.

Hon. Mr. Dupuis: In order to put myself in a position to study the bill and talk intelligently to honourable senators who are so experienced in dealing with legislation, I would move that this bill be not now read a second time but be postponed until at least the next sitting.

Hon. Mr. Roebuck: May I ask the honourable senator whether he is serious in his statement that he wishes Mr. Gordon's salary increased?

Hon. Mr. Vien: No one took that statement seriously.

Hon. Mr. Roebuck: Well, it is on the record.

Hon. Mr. Dupuis: My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) has asked me if I am serious. He knows very well what I mean.

Hon. Mr. Vien: It is a question of dry humour.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Brooks, seconded by the Honourable Senator Hnatyshyn, that this bill be now read a second time. Is it your pleasure to adopt the motion?

Hon. Mr. Dupuis: Honourable senators, I move an amendment, seconded by Honourable Senator Vien, that this bill be not now read a second time but be postponed until the next sitting.

The Hon. the Speaker: Does the honourable senator wish to move the adjournment of the debate?

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

Hon. Mr. Brooks: Honourable senators, I wonder if I may speak to the amendment for a minute.

This interim supply bill is for the month of December. This is the 27th day of November; the month will be over in a few days, and we will then need the money to cover the expenses for the month of December. I say to honourable senators that personally I have no objection to any criticism that the honourable senator opposite may offer. However, I have gone back through *Hansard* for a good many years and this is the first time I have ever heard or read of anyone moving an amendment to a bill of this kind.

Hon. Mr. Macdonald (Brantford): No amendment has been moved.

Hon. Mr. Brooks: The honourable senator from Rigaud moved an amendment a moment ago.

Hon. Mr. Macdonald (Brantford): But he is now asking that the debate be adjourned.

Hon. Mr. McCutcheon: He was corrected by the Speaker.

Hon. Mr. Macdonald (Brantford): It was his mistake.

Hon. Mr. Brooks: I have no objection, but in 1956, for instance, when the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) was in the same position as I am now in—

Hon. Mr. Macdonald (Brantford): In the same difficulties.

Hon. Mr. Brooks: Yes, but they were not made so difficult—that is what I wish to point out to honourable senators.

An appropriation bill was introduced in this place on March 22, 1956, and there was no objection made to that bill at all, except that the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) did object to what he thought was a transgression of some of the rules. On that occasion the late Senator John T. Haig came to the defence of the then Leader of the Government (Hon. Mr. Macdonald, Brantford), and said that the bill should be allowed to go through as in the case of other such bills from time immemorial.

Hon. Mr. Macdonald (Brantford): That is a bad precedent.

Hon. Mr. Brooks: If I may refer honourable senators to the interim supply bill, Appropriation Bill No. 3, which was given first reading in this place on June 12, 1956, as reported at page 705 of Senate *Hansard*, the only remarks made were by the then Leader of the Government (Hon. Mr. Macdonald, Brantford). On

that occasion his introductory remarks were very short, no objection was raised by anyone, and the interim supply bill was passed later than day.

Three or four other interim supply bills went through in 1956. In that year Parliament prorogued on August 14, and the last Appropriation Bill was introduced in this place on that day, just an hour or so before prorogation.

I simply point out these matters to honourable senators to illustrate what I consider to be inconsistency on the part of the Opposition tonight. As I say, I am not complaining, but I could point to other occasions during other sessions when there was no debate on interim supply.

Of course, it would be impossible for the Leader of the Government in the Senate to answer all the questions that might be asked on supply. As honourable senators know, in the other place there are twenty departments and twenty ministers in charge of their supply. In supply a staff of civil servants sits in front of the minister responsible and feeds him the necessary information. I do not think it was ever the intention that these interim supply bills should necessitate prolonged debate or answers to numerous inquiries regarding different estimates.

Hon. Mr. Croll: Honourable senators, I agree with everything the honourable gentleman has just said, but let us be fair. The objection taken by the honourable senator from Rigaud (Hon. Mr. Dupuis) was that he did not have a copy of the bill.

Hon. Mr. Drouin: That was not his main objection; that was only incidental.

Hon. Mr. Croll: It may have been "accidental", but he did not receive a copy.

Hon. Mr. Drouin: I can give him my copy.

Hon. Mr. Croll: I can give him mine, but the point is he did not have it at the desired moment. It makes sense that the least that could be done is that each honourable senator be provided with a copy. I did not complain, but I do appreciate what the honourable gentleman is saying. Ever since I have been a member of this house—and I have sat on both sides—we have always complained, about such a thing, but no one has ever stood up and said: thus far and no further. Not for a moment would I wish to prevent this bill being put through. However, I would be delighted if at some time someone stood up and said: thus far and no further. Perhaps the matter could then be rectified. All I say is that any honourable senator is entitled to see a copy of the bill before he is asked to vote half a billion dollars.

Hon. Mr. Brooks: Honourable senators, in connection with the question that has been raised as to circulation of copies of the bill, may I say my understanding is that despite the fact this bill has already been considered for two days in the other place, there were only about 20 copies of the bill made available to the whole House of Commons.

Hon. Mr. Farris: Do you approve of that?

Hon. Mr. Brooks: No. I personally endeavoured to obtain a copy of the bill for every honourable senator tonight. This is not the first time that I have been in touch with Dr. Ollivier's office. I am told that only a small number of these bills are printed before the bill comes before the other place.

Hon. Mr. Roebuck: Why?

Hon. Mr. Brooks: Because there may be amendments made to the bill, and it has to be reprinted.

Hon. Mr. Vien: Why should that be?

Hon. Mr. Brooks: I do not make the rules and I do not establish the procedure. I understand that has been the procedure—not only regarding the present bill but, I suppose, also all those introduced during the 25 years one honourable senator alluded to a moment ago. I think it is about time we fully understood the true situation regarding these matters.

Hon. Norman P. Lambert: Honourable senators, may I interject a thought in connection with this oft repeated discussion that we hear from time to time when estimates come up for consideration. My friend, the honourable senator from Rosetown (Hon. Mr. Aseltine), said this is the way things have been done for the past 25 years. I would remind him that we have a committee of this house called the Standing Committee on Finance. That committee was established at the time the late Dr. King was Leader of the Government in the Senate, for the purpose of examining the estimates as soon as they were available, in order to anticipate and obviate some of the very discussions that have been taking place here so extemporaneously regarding individual items in the estimates. For a good many years the Standing Committee on Finance sat and examined the estimates before supply bills were presented to Parliament, with the result, I think, that the rank and file of members of this house knew something about them before the bills came down.

For some reason or another that established feature of the Finance Committee's work was abandoned. Instead, to that committee were assigned subjects of special inquiry, such as inflation and the causes of unemployment.

Instead of having special committees constituted for such purposes, the Finance Committee has remained dormant, and unable to carry out the functions that were assigned to it in the beginning.

I would suggest to my friend the honourable the Leader of the Government (Hon. Mr. Brooks), that early in the session, when the estimates are available, they should be assigned to the Finance Committee for consideration. Then the departmental heads, or any other officials who could throw some light on these matters, could be called before that committee and inquiry made so that in future we should not be faced, every time supply has to be passed in this house, with interminable recriminations as to why we did not know about individual items earlier. By resuming the work of the Finance Committee the members of this chamber might become more intimately acquainted with supply bills before they are required to vote.

Hon. Mr. Brooks: I am grateful to the honourable senator for this suggestion, but I should like to ask him this question: is it not true that on many occasions it proved difficult to obtain a quorum for the sittings of that committee because other committees were sitting simultaneously?

Hon. Mr. Lambert: I would like to assure my friend that there was never any trouble in obtaining a quorum for that committee. The published reports of its proceedings, when my friend the honourable senator from Churchill (Hon. Mr. Crerar), was chairman of it, are not only on record but received more attention from the press of this country than the reports of almost any other committee of the Senate. And those reports, while they were prepared by a special subcommittee of the Finance Committee, were only prepared after thorough discussion and good attendance by the members of the committee. Senator Haig was one of the most active on that committee, and I could name the others if necessary.

Hon. Mr. Roebuck: The late Senator Hawkins should be remembered.

Hon. Mr. Lambert: Yes, the late Senator Hawkins, who succeeded Senator Crerar as chairman. But that committee's functions, for some reason or other, were abandoned with the suggestion that more pressing subjects had arisen. Senator Aseltine will remember very well that that committee's work was discontinued to make way for a special committee to inquire into the causes of unemployment although some of us felt that the Finance Committee should go on with the work of examination of the annual estimates.

Hon. R. B. Horner: Honourable senators, if my memory serves me right, the honourable senator from Ottawa (Hon. Mr. Lambert) is in error if he attempts to maintain that the Finance Committee, headed by Senator Crerar, was concerned with unemployment and the cost of government at all levels. I remember well that, because of the opposition from the people on his side to Senator Crerar's report, I had to go to his defence in no uncertain way to enable him to make a report that was of any value. He was accused of injuring his own party and I don't know what else, and I had to support him and declare that he was working in the best interests of Canada and endeavouring to perform a public service on that committee. Even then he was not allowed to bring in the report he wished to present. But that committee had nothing at all to do with what we are talking about tonight, the general financial picture of Canada and the provinces.

The Hon. the Speaker: Honourable Senators, I would point out that the motion now before the house is, after all, a motion to adjourn the debate on second reading of Bill C-86 and, as I interpret the rules, this motion is not debatable. Therefore, I should put the question on the motion.

Hon. W. Ross Macdonald: With unanimous consent, and seeing that His Honour the Speaker has allowed so many to speak, I suggest the debate should not be cut off so peremptorily.

The Hon. the Speaker: I shall hear the honourable gentleman.

Hon. Thomas Vien: I can bear witness to the fair-mindedness and reasonableness of the Honourable Leader of the Government (Hon. Mr. Brooks). I have known him for a number of years both in the other place and here, and I am pleased to give that testimony.

I am sure I can appeal to that reasonable fair-mindedness when I say to him tonight that when a bill of this importance is presented here by the Leader of the Government, the least that each honourable senator can expect is to have a copy of the bill in his hands. The rules of the Senate do not allow a second reading of this bill without the unanimous consent of the house.

The honourable Leader of the Government (Hon. Mr. Brooks) has pointed out certain difficulties arising from the fact that we are approaching the end of the month and the first of December. This is Tuesday evening, and we shall sit on Wednesday, Thursday, and if necessary on Friday. Therefore the honourable gentlemen who moved adjournment of

the debate is not being unreasonable in asking that this debate be adjourned until tomorrow. At that time each member of the house shall be furnished with a copy of the bill, because a number of questions may arise out of a study of it.

I would, for instance, request an explanation as to why some items are for nine months, others are for one month, and others for a different number of months. It is reasonable to request such information from the Government, and I appeal to the Leader of the Government to agree to do this. I do not believe the civil service or any department of the Government will be embarrassed if we leave the matter over until tomorrow. There will be ample time for royal assent to be given before the first of December.

Hon. Mr. Macdonald (Brantford): May I crave the indulgence of the house for one minute. I am sure the Leader of the Government (Hon. Mr. Brooks) does not want to rush this bill through, although I can appreciate the fact that the Government probably would like to have it receive royal assent tomorrow, since Wednesday is apparently a more opportune day than Thursday for receiving royal assent.

It occurred to me that we should tonight give consent to the bill receiving second reading without notice. If we were to adhere strictly to the rules, the bill could not receive second reading until Thursday. If this bill is allowed to stand over for second reading until tomorrow, could we not now agree that when it receives second reading it can also be brought forward tomorrow for third reading? Thus, there would be no danger of any delay.

Hon. Mr. Brooks: I thank the honourable Leader of the Opposition. I would be most agreeable.

Hon. Donald Cameron: This situation has developed so often since I have been here that I am rather puzzled. Why is it not possible to print 365 copies of the bill? Surely they are not restricting the number of copies from the Printing Bureau because of economy.

Hon. Mr. Croll: They read the Glassco report ahead of time.

Hon. Mr. Cameron: That is one institution of the Government service which has not been noted for economy in the past, and the major cost in printing of bills is in the setting up of the type. The added cost of supplying a copy for each member of the Senate and of the House of Commons would amount to only a few dollars. This is not the first time this has happened. I do not want to embarrass the Leader of the Government (Hon. Mr. Brooks) in this regard, but surely we could have sufficient copies for everybody.

The Hon. the Speaker: Honourable senators, it has been moved by Honourable Senator Dupuis, seconded by Honourable Senator Vien, that the debate on the motion for second reading of this bill be adjourned until the next sitting of the Senate. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Macdonald (Brantford): I think it should be recorded at this stage that the house has agreed that the bill be presented for third reading tomorrow.

The Hon. the Speaker: Is it agreed, honourable senators, that third reading of this bill be proceeded with tomorrow?

Some Hon. Senators: Agreed.

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

INCOME TAX ACT

BILL TO AMEND—THIRD READING

Hon. M. Wallace McCutcheon moved the third reading of Bill C-78, to amend the Income Tax Act.

Hon. Sydney J. Smith: Honourable senators, before this bill is finally disposed of I would crave your indulgence to refer to a matter that has come to my attention since the bill was read the second time. It is related to this bill to amend the Income Tax Act, and I think it is of sufficient importance to a great many people that it is worth bringing to the attention of the house at this time.

A few months ago a friend of mine of long standing died in his home city of Vancouver, and I have in my hand a letter that I received yesterday from his widow. It refers to the final settlement of the husband's estate which was effected quite recently. The widow received settlement of an Employer Pension Plan and a Dominion Government Annuity. The total cash settlement amounted to $9,007.89.

The letter goes on to say that the widow had no option but to take a cash settlement which gave her an income for the year on which she was assessed income tax in the amount of $1,193.14; $200 of this amount was withheld, and the balance will not be due until a return is made for 1962 after the new year.

I quote from her letter:

> I could avoid paying the income tax if I bought with this money a registered Retirement Savings Annuity but I would get nothing back from this for some years and I cannot afford this plan. I have been to see Mr. X in the Income Tax office

here. He sees no way to reduce the tax under the present section of the Income Tax Act dealing with lump sum payments.

Honourable senators, I think that this may be representative of the circumstances in which many widows find themselves in connection with settlements of estates, and I believe that in such circumstances a widow should be entitled to the provision which is available in certain instances whereby the lump sum of income is assessed over a period of three or more years.

I realize that it may be too late to deal with this matter in the present bill, but I feel that it is timely, when honourable senators are considering the provisions of the bill, to bring to their attention this obvious failure of the Income Tax Act to extend what I consider fair and equitable treatment to many widows.

I respectfully suggest to the honourable Leader of the Government (Hon. Mr. Brooks) that he bring this matter to the attention of the Government with a view to correcting what I am sure all honourable senators will agree is unfair discriminaiton.

Hon. Salter A. Hayden: Honourable senators, I want to add a word in connection with the production incentive, which is part of the bill before us.

In speaking in the debate on the motion for second reading I referred to the complex character of the calculations which cover seven or eight pages of the bill, and I made a suggestion as to an alternative method which would appear to achieve the same results. It pays to reflect, and having reflected upon the suggestion I made, and after putting questions to witnesses when the bill was before the committee, I want to state now in brief and clear form what I hope is an alternative method which is, in its essence, simple and would accomplish the same results.

My suggestion is that the increase in net sales, which is the basis of the production incentive, be determined in the same way as it is proposed under this bill—that is, by comparing it with the past year—and, secondly, that the Government determine what is the reasonable amount of incentive in dollars that it is prepared to give in relation to dollar volume of increase in sales.

Let us assume that you are dealing with an increase in sales of $50,000, and that the Government establishes a rate of 3 per cent of those sales, which would be $1,500. They would say: that should be sufficient in the way of production incentive to spur the person to increase his sales. Instead of having all the calculations which are in the bill for determining how you are going to affect tax in that regard, my suggestion then is that you take that 3 per cent—in this case it is $1,500—and permit it as a deduction directly from tax otherwise payable.

This has the virtue of absolute simplicity. It does not constitute any raid upon the treasury or upon the financial resources of the country to any greater extent than the plan which covers six or seven pages of this bill, because an increase in sales of $50,000 by the formulae which are contained in this bill provides a tax saving of $1,230. Why go through all these complications when it can be related directly to sales and the deduction made directly from tax otherwise payable?

My suggestion is very simple, and I am emphasizing it at this moment because I am hoping that when we come to another round of amendments to the Income Tax Act—and they are just as inevitable as is the passage of time from year to year—we shall find these seven or eight pages suddenly repealed and replaced by a simple amendment along the lines I have suggested.

Motion agreed to and bill read third time and passed.

ESTATE TAX ACT

BILL TO AMEND—THIRD READING

Hon. A. Brooks moved the third reading of Bill C-79, to amend the Estate Tax Act.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—SECOND READING

On the Order:

Second reading of the following bills—

Hon. Mr. Macdonald (Brantford): Has Order No. 4 been called?

Hon. Mr. Choquette: I said "stand" for No. 3.

Hon. Mr. Macdonald (Brantford): I do not think No. 4 has been called. That order stands in the name of the honourable senator from Vancouver South (Hon. Mr. Farris), and he is the only one who can "stand" it.

Hon. Mr. Brooks: We could "stand" it if he does not.

Hon. Mr. Farris: Perhaps you would not stand my speech.

I am quite prepared to go ahead, but if there are more urgent bills I do not want to interfere with them. I will leave it to the honourable Leader of the Government (Hon. Mr. Brooks).

Hon. Mr. Brooks: When he was called yesterday, the honourable senator said that if

there were Government matters to be gone ahead with he would be willing to stand this item.

Hon. Mr. Farris: If the honourable Leader of the Government (Hon. Mr. Brooks) says that there are urgent Government bills which should go on this evening, I will accept that.

Hon. Mr. Brooks: That is right.

Hon Mr. Farris: But when will I get on? I would like to have an assurance that I will get on before Christmas.

Hon. Mr. Brooks: I will give the honourable senator that assurance.

Hon. Mr. Macdonald (Brantford): We would have to sit on Fridays.

Hon. Mr. Brooks: On Fridays and Mondays.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-376, for the relief of Anna Annette Brahmi.

Bill SD-377, for the relief of Therese Beaulieu.

Bill SD-378, for the relief of Elaine Redmond.

Bill SD-379, for the relief of Daniel Gaston Jules Caron.

Bill SD-380, for the relief of Werner Burke Michelsen.

Bill SD-381, for the relief of Patricia Marjorie Maisonet.

Bill SD-382, for the relief of Juliana Magdelene Ashley.

Bill SD-383, for the relief of James Coade.

Bill SD-384, for the relief of Franklin Dale Hufford.

Bill SD-385, for the relief of Laurier Allain.

Bill SD-386, for the relief of Paul Orlivsky.

Bill SD-387, for the relief of Jethro Garland Crocker.

Bill SD-388, for the relief of Bernice Bordensky.

Bill SD-389, for the relief of Armand Gauthier.

Bill SD-390, for the relief of Doreen Klara Culmer.

Bill SD-391, for the relief of Margaret Rose McDuff.

Bill SD-392, for the relief of Marie Celine Pierrette Lapointe.

Bill SD-393, for the relief of Robert Inglis, junior.

Bill SD-394, for the relief of Gertrude Lindener.

Bill SD-395, for the relief of Patricia Sabetta.

Bill SD-396, for the relief of Pierre Lacasse.

Bill SD-397, for the relief of Edna Anne MacPherson.

Bill SD-398, for the relief of Willa Keith Thomson.

Bill SD-399, for the relief of Geralde Lalonde.

Bill SD-400, for the relief of Monique Mercure.

Bill SD-401, for the relief of Marie Aline Martine France.

Bill SD-402, for the relief of Elsie Clifford.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

FARM CREDIT ACT

BILL TO AMEND—SECOND READING

Hon. Walter M. Aseltine moved the second reading of Bill C-71, to amend the Farm Credit Act.

He said: Honourable senators, before dealing with this bill I wish to take this opportunity to thank all honourable senators for their good will and for the encouragement, assistance and co-operation which they so generously extended to me during the more than four years I occupied the onerous post of Leader of the Government in the Senate. Honourable senators made things interesting for me at all times and quite pleasant most of the time. I did my best to reciprocate and to keep the business of the Senate on a high plane. With your help and the loyal co-operation of the very capable staff of Senate officers and assistants, I think we were able to accomplish a great deal.

I also wish to thank publicly all those senators who have written so kindly to me since my retirement from the leadership. I also thank those who have very kindly referred to me in the debate on the Speech from the Throne.

I congratulate my successor, the honourable senator from Royal (Hon. Mr. Brooks), as Leader of the Government in the Senate and I ask honourable senators to give him the same consideration which they gave to me.

I also congratulate the Honourable the Speaker on the atttainment of his high office; and I extend to the new senators my felicitations on their being summonsed to the membership of this house.

As honourable senators know, I have always been a firm believer in the Senate and will continue to be. I expect to be around for some time and I hope to be able to continue to take an active part in the work of this house.

Bill C-71 is designated an Act to amend the Farm Credit Act, which is chapter 43 of the Statutes of Canada 1959, and was proclaimed and brought into force on October 5, 1959.

I have always been a lover of the soil and I have been vitally interested in farming in the province of Saskatchewan for over 40 years. Farming has been for me more than a hobby: it has been a serious business. I have been described sometimes as a farmer and other times as an agriculturist. A "farmer" has been defined as a person who lives on the farm, makes his money on the farm and spends it in town.

Hon. Mr. Higgins: My impression is that the honourable senator is a lawyer. I hope he is referred to as a lawyer also.

Hon. Mr. Aseltine: On the other hand, an "agriculturist" has been defined as a person who lives in town, makes his money in town and spends it on the farm. I note that my remarks meet with the approval of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). Perhaps I am partly a farmer and partly an agriculturist. As the honourable senator from St. John's East (Hon. Mr. Higgins) has said, I am also a lawyer. At any rate, these are my qualifications and no doubt the reason why I have been requested to sponsor Bill C-71.

I wish first to remind you that the federal Government has been in the farm loan business for a long time. The Canadian Farm Loan Board was set up in 1927, when the Canadian Farm Loan Act was passed. It began lending money to farmers on first mortgages in or about the year 1929, and continued to lend money until that board was abolished in 1959 upon the passing of the Farm Credit Act. That act set up the Farm Credit Corporation as the successor to the Canadian Farm Loan Board, taking over all the assets and liabilities of the board. The passing of the Farm Credit Act and the setting up of the Farm Credit Corporation was part of the Government's program to assist farmers across Canada to attain a higher standard of living.

The Farm Credit Corporation was given power to lend money to persons whose principal occupation is farming in the general sense, and to enable the farmer to use the money borrowed from the corporation for the purpose of completing and setting up an economic family farm unit.

The money borrowed was to be used for the following purposes: To acquire farm land; to erect or modernize farm buildings; to clear, drain, irrigate, fence or make permanent improvements; to purchase basic herd livestock; to buy necessary farm equipment; to purchase fertilizers, seed, et cetera; to pay debts, and for any other purpose which the corporation considers fit to establish an economic family farm unit. These powers or objects will be found in section 16 of the original act passed in 1949.

The Farm Credit Act sets out two different kinds of loans that can be made to persons whose principal occupation is that of farming. The loans that can be made under Part II of the act are not new. We have been making such loans for a long time. Briefly, under Part II a loan could be made by the Farm Credit Corporation upon farm lands not exceeding 75 per cent of the appraised value or $20,000, whichever is the lesser, for a single farming enterprise.

Part III is new, and provides that a loan can be made on land and chattels. It is designed to cover immediate and long-term credit needs of capable, experienced young farmers between the ages of 21 and 45 years. Loans must not exceed the lesser of $27,500 or 75 per cent of the value of land and the value of basic herd and necessary farm equipment.

Part III also provides for supervision by the corporation until the loan is reduced to 65 per cent of the value of the farm land which is held as security.

It also requires life insurance on the borrower to cover the outstanding amount of the mortgage loan. Under Part II life insurance was not required but could be obtained. In 1961-62, 56 per cent of borrowers applied for and obtained life insurance. I will deal with that more fully a little later, because there is an amendment which refers to it. The time for repayment is 30 years, and the interest is five per cent.

The corporation consists of five members appointed by Governor in Council, one of whom is the chairman, another vice-chairman, and the remaining three are members of the board. There is also an advisory committee of ten appointed by the minister.

The head office is at Ottawa. Branch offices have been established at Kelowna, Edmonton, Regina, Winnipeg, Toronto, Ste. Foy, and Moncton.

At the end of the fiscal year 92.1 per cent of all loans were in good standing, and loans

have been approved in the last fiscal year to the number of 5,885 for a total of $68,574,850.

I wish to refer to the capital of the corporation because there is an amendment in that connection. The Farm Credit Corporation had an original capital of $8 million, and it was allowed to loan 25 times that amount, or $200 million. In 1961 an amendment to the act increased the capital to $12 million, and the lending power of the corporation to $300 million. This capital is provided by the Minister of Finance out of the Consolidated Revenue Fund. The corporation borrows the money from the Minister of Finance at the current going rate of interest and lends it to farmers at the statutory rate of five per cent. It finances its operating costs out of the difference between the borrowing rate and the five per cent lending rate.

Honourable senators, in order to provide more detailed information, I ask leave to incorporate in the record as part of my remarks three documents or tables which I have before me now.

Hon. Senators: Agreed.

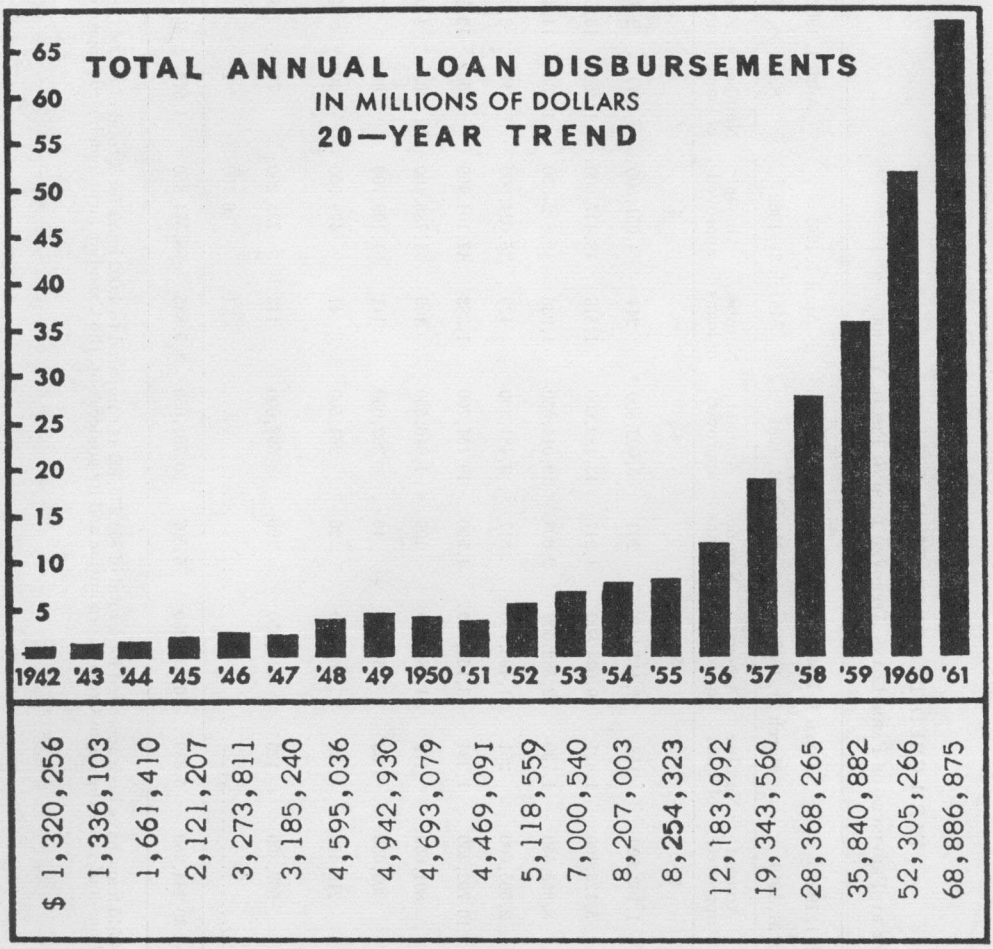
Hon. Mr. Aseltine: The first is a statement of loans disbursed and outstanding by fiscal years to March 31, 1962.

FARM CREDIT CORPORATION

STATEMENT OF LOANS DISBURSED AND OUTSTANDING BY FISCAL YEARS TO MARCH 31, 1962

Fiscal Year	Loans disbursed		Average Loan	Cumulative total of loans disbursed		Principal of loans outstanding End of year	
	No.	Amount		No.	Amount	No.	Amount
		$	$		$		$
1929–30	1,270	2,630,377	2,070	1,270	2,630,377	1,270	2,613,671
1930–31	2,102	3,517,489	1,670	3,372	6,147,866	3,109	6,033,805
1931–32	468	1,996,344	4,270	3,840	8,144,210	3,492	7,878,741
1932–33	655	1,276,114	1,950	4,495	9,420,324	4,394	8,927,985
1933–34	307	558,630	1,820	4,802	9,978,954	4,652	9,125,513
1934–35	352	547,207	1,550	5,154	10,526,161	4,866	9,332,329
1935–36	3,593	7,423,779	2,070	8,747	17,949,940	8,322	16,178,516
1936–37	5,385	11,074,156	2,060	14,132	29,024,096	13,588	26,506,308
1937–38	2,523	5,264,308	2,080	16,655	34,288,404	15,829	30,336,749
1938–39	2,232	4,338,843	1,940	18,887	38,627,247	17,747	33,065,470
1939–40	2,361	4,342,662	1,830	21,248	42,969,909	19,756	35,411,729
1940–41	1,425	2,727,507	1,920	22,673	45,697,416	20,782	35,947,883
1941–42	1,112	2,133,514	1,920	23,785	47,830,930	21,333	35,256,188
1942–43	642	1,320,256	2,060	24,427	49,151,186	21,020	33,120,484
1943–44	590	1,336,103	2,260	25,017	50,487,289	19,447	28,716,696
1944–45	695	1,661,410	2,390	25,712	52,148,699	16,929	24,199,388
1945–46	877	2,121,207	2,420	26,589	54,269,906	15,721	22,513,863
1946–47	1,286	3,273,811	2,520	27,875	57,543,717	15,032	22,119,005
1947–48	1,218	3,185,240	2,620	29,093	60,728,957	14,790	22,327,258
1948–49	1,751	4,595,036	2,620	30,844	65,323,993	15,006	23,890,389
1949–50	1,841	4,942,930	2,680	32,685	70,266,923	15,566	25,821,426
1950–51	1,800	4,693,079	2,600	34,485	74,960,002	16,184	27,802,774
1951–52	1,508	4,469,091	2,970	35,993	79,429,093	16,497	29,228,810
1952–53	1,514	5,118,559	3,380	37,507	84,547,652	16,667	31,005,250
1953–54	1,908	7,000,540	3,670	39,415	91,548,192	17,267	34,591,645
1954–55	2,137	8,207,003	3,840	41,552	99,755,195	18,111	39,455,931
1955–56	2,087	8,254,323	3,960	43,639	108,009,518	18,931	44,075,268
1956–57	2,826	12,183,992	4,300	46,465	121,193,510	20,372	52,730,198
1957–58	3,500	19,343,560	5,540	49,965	140,537,070	22,494	67,112,206
1958–59	4,659	28,368,265	6,080	54,624	168,905,335	25,471	89,301,022
1959–60	5,169	35,840,882	6,950	59,793	204,746,217	28,453	117,233,247
1960–61	5,162	52,305,266	10,120	64,955	257,051,483	31,054	158,447,392
1961–62	6,027	68,886,875	11,400	70,892	325,938,358	34,175	212,138,307
1962–63		80,000,000	(estimated)				

The second is a chart showing total annual loan disbursements in millions of dollars—20-year trend.



The third document is a statement by provinces of farm loans approved during the fiscal years April 1, 1957 to September 30, 1962.

FARM CREDIT CORPORATION

STATEMENT BY PROVINCES OF FARM LOANS APPROVED DURING FISCAL YEARS

Province	April 1, 1957 to March 31, 1958		April 1, 1958 to March 31, 1959		April 1, 1959 to March 31, 1960		April 1, 1960 to March 31, 1961		April 1, 1961 to March 31, 1962		April 1, 1962 to Sept. 30, 1962	
	Number of loans	Amount approved	Number of loans	Amount approved	Number of loans	Amount approved	Number of loans	Amount approved	Number of loans	Amount approved	Number of loans	Amount approved
		$		$		$		$		$		$
British Columbia	113	735,350	157	1,163,800	158	1,443,900	203	3,002,800	244	4,051,500	171	2,779,700
Alberta	590	2,841,500	961	5,125,100	1,421	9,024,800	1,217	13,182,600	1,518	18,447,600	1,266	16,586,500
Saskatchewan	1,122	5,760,900	1,510	8,665,550	1,739	12,582,600	2,008	19,014,550	1,936	19,812,350	1,335	14,461,500
Manitoba	412	2,133,100	454	2,505,600	251	1,498,750	317	3,481,300	429	5,024,000	347	3,937,500
Ontario	1,084	7,980,500	1,299	10,702,350	1,384	13,164,750	1,590	19,151,700	1,383	17,104,400	956	12,567,500
Quebec	118	667,250	154	891,650	179	1,286,450	106	1,646,550	109	1,786,100	262	4,086,100
New Brunswick	67	325,150	71	303,650	39	250,350	46	362,050	111	1,109,700	63	777,400
Nova Scotia	54	290,500	49	219,450	43	260,700	20	264,500	41	499,900	40	465,700
Prince Edward Island	142	544,200	150	567,800	125	518,950	90	598,000	113	733,200	74	554,400
Newfoundland									1	6,100	1	20,000
	3,702	21,278,450	4,805	30,144,950	5,339	40,031,250	5,597	60,704,050	5,885	68,574,850	4,515	56,236,300

* During this fiscal year to September 30, 1962, 4,515 loans have been approved for a total of $56,236,300 as compared to 4,002 loans for a total of $56,063,400 during the same period last year. During the past five and one-half years the Farm Credit Corporation and its predecessor, the Canadian farm loan board, approved 29,843 loans for a total of $276,969,850.

Next I wish to deal briefly with the amendments. I have already referred to an amendment in the amount of the capital of the corporation. There has been a large increase in the volume of lending, and the balance of the $300 million will all be committed by June next. It is therefore necessary to increase the capital to $16 million so that the corporation can borrow up to a total of $400 million from the Minister of Finance. That amendment appears in clause 1 of the bill.

Certain amendments will be found in clause 2 to allow farmers more leeway in the use of borrowed money. These amendments may be stated as follows:

(a) To make improvements to any part of the land the farmer is operating, including land such as that on long-term lease, which is not covered by the mortgage to the corporation.

(b) To pay the farmer's operating and living costs during the first year or two, while he is developing his farm to the point that it will produce the income necessary to meet these costs.

(c) To help the farmer develop non-agricultural enterprises on his farm, such as camping grounds, tourist cabins and so forth, if he can make any profitable use of his land and resources in that manner. This will be a great help to the small farmer.

Hon. Mr. Hayden: What part of the bill is my friend reading from? What is the reference in the bill?

Hon. Mr. Aseltine: That is Clause 2. There is an amendment to Section 19(1)(f), covered by Clause 3 of the bill with respect to the maximum charge that can be made by the corporation for an appraisal. There was quite a lot of argument about the charge for appraisals and inspections when loans were applied for, and it was finally agreed in the other place to fix the maximum in the act rather than leave it open to be fixed by the corporation by regulation.

Hon. Mr. Hayden: Would my friend permit a question? I notice the use of the expression "secondary enterprise not being a farming enterprise". Is there any definition of that or any indication as to the area covered by it, because any enterprise not being a farming enterprise in relation to farming would be secondary so long as it was not more substantial than the farming?

Hon. Mr. Aseltine: I admit I ran into that same difficulty, and I have not been able to find anything in the bill which defines "secondary enterprise".

Hon. Mr. Roebuck: And there is no limitation.

Hon. Mr. Hugessen: Would it include allowing the money to be used, for instance, for the purpose of enabling a farmer to build a motel on his property?

Hon. Mr. Aseltine: The explanation I received was that it was to help the farmer develop a non-agricultural enterprise on his farm. If it were a small farm it might, for instance, lend itself to the erection of tourist accommodation.

Hon. Mr. Farris: Could he set up a law department?

Hon. Mr. Aseltine: The last time I travelled through British Columbia I noticed that small farms along the highway from Hope to Penticton had a lot of these enterprises and it seemed to me that those small farmers were doing well.

Hon. Mr. Hayden: What is the meaning of "secondary" there?

Hon. Mr. Aseltine: It would mean, not pertaining entirely to agriculture.

Hon. Mr. Hayden: Does it?

Hon. Mr. Roebuck: He could build a hotel, I suppose.

Hon. Mr. Croll: And he could get a licence. What is wrong with that?

Hon. Mr. Thorvaldson: Would it include building a motel?

Hon. Mr. Aseltine: I would rather leave that for the vice-chairman of the Farm Credit Corporation to answer when he appears before the committee, perhaps tomorrow or some time in the near future.

The other amendments are for the purpose of eliminating certain anomalies and restrictions. One amendment makes certain that there is power to make life insurance available to all borrowers so that a borrower may obtain life insurance as additional security for a Part II loan. That will be found in Clause 4.

Another amendment removes the restrictions where a father mortgages part of his farm for one son and wishes to do the same for another son. That will be found in Clause 5.

Clause 6 provides that if a loan is approved by the corporation before the applicant has attained the age of 45 years, such loan can be made.

Clause 7 (1) fixes the amount of the supervising fee on a Part III loan as prescribed by the corporation by regulation, but not to exceed $25. That was added by way of amendment in the other place.

Clause 7 (2), provides that a loan may be made to joint tenants.

Hon. Mr. Hugessen: To husband and wife?

Hon. Mr. Aseltine: Yes, they will be able to apply jointly for a loan. Under the act as it stands they are unable to do so.

Hon. Mr. Macdonald (Brantford): Could a father and son apply?

Hon. Mr. Aseltine: I just gave an example of husband and wife applying.

Hon. Mr. Hugessen: That is the only case provided for.

Hon. Mr. Higgins: Yes, the only case.

Hon. Mr. Aseltine: Clause 8 permits the corporation to forgo supervising of a farmer who has borrowed under Part III when the debt is reduced to 75 per cent of the appraised value of the farm.

The last amendment is covered by Clause 9. This amendment makes eligible an applicant for a farm improvement loan when the debt incurred under the Farm Credit Act has been reduced to 75 per cent of the value of the land.

Before concluding I wish to make some general remarks. The corporation has carried on its service to the farmers by establishing full-time resident credit advisers in farming communities throughout the country. The total amount of loans this year is running about 27 per cent above last year's figure. The amount is $65,948,000 as of October 31, compared to $51,853,100 at the same date last year.

The Government believes that the proposed amendments to the act, particularly those respecting off-the-farm income and the development of non-agricultural income from the farm, would permit much closer co-operation with ARDA in tackling rural development in many areas of Canada. ARDA director A. T. Davidson is a member of the corporation.

These amendments, together with the current amendments to the regulations under the act, considerably enlarge the scope of the legislation by extending loan eligibility to many smaller operators and specialized producers who heretofore have been excluded. They are expected to be of considerable and particular benefit to the farmers of British Columbia, parts of Ontario, Quebec and the Maritime provinces.

Honourable senators, that completes my remarks with respect to this bill. If it is given second reading tonight I shall propose that it be referred to the Standing Committee on Banking and Commerce for further consideration.

Hon. Austin C. Taylor: Honourable senators, it is not my purpose to delay second reading of this bill this evening, primarily because it has been so clearly explained by the honourable senator from Rosetown that not very much can be added. However, there are a few observations I should like to make in connection with the legislation itself and the amendments that are proposed.

Generally speaking, I am in favour of the terms of the act as it now stands and the purpose of the proposed amendments. There are certain suggestions I intend to make in relation to the bill now before us which, honourable senators will recall, has been slightly amended in the other place. There are some amendments to which I should like to refer, but I shall omit the first I had in mind because that has already been clearly explained by the sponsor of the bill. That amendment is contained in the first clause, in which the capital that is required for the proper functioning of the board during the next year is increased.

The second amendment I should like to refer to is contained in clause 2. Part of that is a further amendment. It has to do with subparagraph (iii) of paragraph (a) of section 16 of the act, and reads as follows:

> to erect farm buildings or to clear, drain, irrigate, fence or make any other permanent improvement—

And these words are added:

> —to the mortgaged farm or to other land used by the borrower as part of his farming enterprise.

If I understood the sponsor of the bill correctly, he made the statement that this applies to land under a long-term lease. Nowhere in the bill have I found any reference to a long-term lease. I intend to refer to that a little later on.

The third amendment I should like to mention is also in clause 2, page 2 of the bill, and is noted as subparagraphs (iv*a*) and (iv*b*). I need only refer to the last part of it. Of course, both these subparagraphs are new. Subparagraph (iv*b*), states:

> to assist in the development on the mortgaged land of a secondary enterprise not being a farming enterprise...

Some questions have been asked in relation to this, and I shall have a few words to say about that too.

The fourth amendment I should like to refer to appears in clause 3, where it will be found that paragraph (f) of subsection (1) of section 19 is repealed and a substitution is made. That amendment provides that the amount of fees charged for the application and the amount of charges in connection with the loans granted shall be expressly set out in this section. I believe this is new and was

not in the former act in relation to Part II thereof. It was, and still is, in Part III of the act. That is, in the case of each application for a loan the fee shall be $10, and in the case of each loan made under this act half of one per cent of the amount of the loan. Again, I shall refer to that briefly later.

Another reference I wish to make has pretty well been covered by the sponsor of the bill. I refer to the amendment to section 27 of the act which has to do with the reduction to 75 per cent of the outstanding loan in relation to statements and information respecting the farm operations of the borrower.

Clause 9 is a similar recommendation in relation to the loan under the Farm Improvement Loans Act where loans will not be granted until at least 75 per cent of the original loan under this act has been paid back.

In order that I may not repeat some of the things that have already been said, I have made a few notes and, if I may, honourable senators, I should like to be permitted to follow them closely.

I think it is significant to note that all legislation, regardless of its nature, requires amendment from time to time. The Farm Credit Act was passed, I think, primarily as a result of a recommendation emanating from the Special Committee of the Senate on Land Use.

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Taylor (Westmorland): That committee recommended the liberalization of the provisions of the Canadian Farm Loan Act and the transfer of the administration of the act from the Minister of Finance to the Minister of Agriculture. I believe that as a consequence of this recommendation the present act was introduced by the Minister of Agriculture during the session of 1959, and was given royal assent on July 18 of that year.

Since the new act was based on farm credit needs at that time, including the transfer of administration to the Minister of Agriculture, at the same time as I gave it my support I made certain recommendations in relation to the original act which I thought would improve the legislation, and I intend to make them again now. I also supported the amendment presented in this house and passed during the 1960-61 session, namely, provision for an increase in the capital structure of the corporation which would increase its borrowing power from $12 million to $16 million and thus its lending authority from $300 million to $400 million.

As I understand what the former Leader of the Government (Hon. Mr. Aseltine) said, and from a statement by the minister, by June of next year the funds that are now available will be gone. I maintain this amendment is a "must". Again, may I say that one of the reasons the amendment is essential is because of the rapid changes in the industry which, in part, are due to mechanization, changes in production and marketing methods, automation and the establishment of larger units of operation, as well as many other factors.

I trust it is in order for me to refer to a statement made by the Minister of Agriculture which I mentioned a moment ago, in relation to the fact that now only about $63 million is available for the coming year.

At this point may I say a word about the criticism offered in relation to the original Canadian Farm Loan Act and its administration, much of which is fully justified. May I point out that while the number of loans granted has increased since the present act has been in operation, generally speaking, the main reason for the larger amounts loaned during the last three years is due to the larger individual loans.

As an illustration I should like to draw the following comparisons. For the fiscal year 1936-37 the number of loans disbursed was 5,385, and the amount loaned in round figures was $7,423,000, an average of $1,379 per loan, whereas in 1961-62, 6,027 loans were granted for a total of $68,886,875, which means that the average individual loan reached an all-time high of $11,430 against slightly over $1,300 for 1936-37. It is significant to note that for the two comparative years there were only a few more loans granted in 1961-62 than in 1936-37, whereas the total amount loaned was more than ten times greater.

The second important amendment provides for increased flexibility in the use of the money so loaned, and to which I have already referred, such as the drainage of land, erection of buildings, the improvement of land other than the mortgaged farm, to pay operating costs and maintenance costs of the farmer and his family for such period as may be necessary for the establishment of a farming enterprise, and to assist in the development of a secondary industry on the mortgaged land. With all of this, I agree in principle; and I am sure it will be of considerable assistance to many farmers, if properly administered, as I have every reason to believe it will be. However, I am of the opinion that this provision will require very careful supervision.

Going back to the first part of this amendment which provides that a loan may be used by the borrower for permanent improvement to the mortgaged farm or to other land

used by the borrower as part of his farming enterprise, this I support, provided the land used by the borrower is held under a reasonably long-term lease. This is not provided for in the present amendment, and I would suggest to the Leader of the Government (Hon. Mr. Brooks) that such a provision be inserted so that where any loan is used for this purpose the borrower as well as the board will be protected.

Hon. Mr. Aseltine: I was just giving an example.

Hon. Mr. Taylor (Westmorland): I am saying that this is not only for the protection of the borrower but also for the protection of the board, and I mention as an illustration that a farmer quite often leases extra land in close proximity to his own farm. This land may not have been operated for a few years and may need fertilizers and irrigation to produce a crop. Under this act he may borrow money to provide those things necessary for the production of such a crop. The lease may only run from year to year and at the end of one year the land may be turned back to the owner. In that case there should be provision in the act for the protection of the borrower as well as the board.

The two new subparagraphs of this clause, namely, (iv*a*) and (iv*b*) are substantial provisions, and I am hopeful they will not interfere with the proper functioning of the program envisioned under ARDA, but that they will be supplemental to it.

It may well be that this may lead to the development of a program which I can visualize for the building of a sawmill or a small furniture plant or maybe, as someone suggested, a tourist industry.

Hon. Mr. Roebuck: Or maybe a blacksmith shop.

Hon. Mr. Taylor (Westmorland): It may be a blacksmith shop or anything else, but I am sure the Board will use their judgment in reference to this.

Hon. Mr. Roebuck: Why are you sure?

Hon. Mr. Taylor (Westmorland): I am sure because of my association with the heads of various institutions concerned with such matters over the years. I have a lot of confidence in the members of the board and its supervisors in my province, and I know something about the difficulties of getting loans for farming enterprises. I say, after a good deal of consideration, that unless some assistance is granted to the small farmers in some of the remote areas of the provinces they are not going to be able to remain there. There must be some other provision for increasing their earning capacity. I hope this will develop it, and I hope there will not be too much overlapping between this Board and ARDA—rather that one will supplement the other.

The next reference I would like to make has to do with clauses 27 and 28 and applies to Part III of the Act which provides for supervised farm loans, namely, loans over $20,000 to the present maximum of $27,500.

It will be noted that the borrower under Part III of the present Act must submit a plan of his farming operations to the board for approval. In other words he is required to allow supervision. While the suggestion made in the new amendment is more in line with Part III of the act, I think grave consideration should be given to this aspect of the suggestion, because in my opinion there is need for supervision in connection with the larger loans. I would hate to see the supervision removed because they may just not be able to carry on in the manner they have in the past.

I can only refer, as an illustration, to the Veterans' Land Act under which there has been a combination of good administration and supervision down through the years. I think one of the reasons they have been so successful has been the close supervision and close contact between the board members and the borrower.

Hon. Mr. Brooks: Might I interrupt the honourable senator? Is he aware that the same supervisors are acting with the Farm Credit Act? There were some 300 taken over by the Farm Credit Act and they are now operating for both.

Hon. Mr. Taylor (Westmorland): Yes, I am aware of that. All I am saying is that under the present act loans must be reduced to 65 per cent of the appraised value of the land before the supervision ceases. Under this provision if they get down to 75 per cent supervision ceases. I think great care should be exercised before the supervision is removed because most of them need it and probably would like to have it.

Honourable senators, there is also provision in the act for the application or the setting out of fees. I am not too sure that this amendment is in line with Part III of the act. In Part III the amount is set out. I believe it is to be found in section 26, paragraphs (c) and (d), particularly (d), which provides:

> (d) the borrower shall pay to the corporation an appraisal fee of two per cent of the amount of the loan or one hundred dollars, whichever is the lesser.

Under this amendment to Part II of the act the amount has been reduced to one-half of one per cent of the amount of the

loan in relation to the charges made for that part of the supervision.

Hon. Mr. Aseltine: I don't think that has anything to do with the supervision.

Hon. Mr. Taylor (Westmorland): No. Part III has to do wholly with supervision on loans over $20,000.

Hon. Mr. Aseltine: My interpretation is that it has to do with appraisal costs.

Hon. Mr. Taylor (Westmorland): Under Part II the appraisal costs are now $10, and if a loan is granted, then for the appraisals, the supervision and legal work carried out, it is one-half of one per cent, whereas under Part III it is two per cent or $100, whichever is the lesser.

Hon. Mr. Aseltine: This clause was debated at considerable length in the other place, and I believe they finally arrived at this solution because of the criticism that the appraisal costs were too high. Some persons applied for a loan which was turned down and then had to pay the $25, $50 or whatever it was. That fee is now fixed at $10, and that is all he can lose if his application is not accepted, but if it is accepted and the loan is granted then it is one-half of one per cent. Is that not so?

Hon. Mr. Taylor (Westmorland): That is right, but that applies only to Part II of the act. Part III of the act states definitely that there shall be a charge. That can be found at page 279 of the Statutes of 1959.

Hon. Mr. Aseltine: What is the section?

Hon. Mr. Taylor (Westmorland): Section 26(c) and (d).

Honourable senators, it is not my intention to say anything further with respect to this bill. I think the amendments are necessary, but they can be improved, and I am going to make a further suggestion before I close.

While I hesitate to discuss agricultural matters other than the subject matter of this bill I hope I may be permitted to do so.

Hon. Mr. Aseltine: Go right ahead.

Hon. Mr. Taylor (Westmorland): It seems unfortunate to me that an industry worth over $3 billion per year should get so little attention in both houses of Parliament, and in the country as a whole. This great industry stands at the top of all other industries in Canada as far as dollar value is concerned.

I was very surprised when I read recently in the press a statement by the Minister of Agriculture in which he suggested certain curtailment might be necessary in the production of milk. The following is one of his statements:

> No government wanted to compel producers to reduce production but the Federal Government may quite properly tell producers that the time has come when they must agree to voluntarily restrict production or accept reduced price supports. Furthermore, since a moderate reduction in price support would not likely reduce output significantly, a drastic reduction might be necessary.

Then later on under the same heading, "Limiting Production seen Inevitable", he is reported as stating as follows:

> When we come right down to it any real solution to the surplus problem is bound to require production curtailment.

Later on he stated as follows:

> The usual way to get people to produce less of anything is to offer them a lower price.

Hon. Mr. Macdonald (Brantford): Who made these statements?

Hon. Mr. Taylor (Westmorland): The Minister of Agriculture.

Honourable senators, it seems unbelievable to me that the minister is concerning himself with reducing the production of the best food on earth, and making very little if any effort to increase the consumption of this food. The only reference he made to increased consumption of milk was that his department was studying the possibility of instituting a nation-wide school milk program.

You may recall, honourable senators, that that was a program I advocated in this chamber almost two years ago. I am convinced that if that, and the other suggestions I made at that time, were put in effect, together with an adverising program carried out jointly with the provinces and the two major dairy organizations in Canada, namely, the Dairy Farmers of Canada and the National Dairy Council, whereby every Canadian would be conscious of the true value of milk and milk products, we would not need to threaten or talk about curtailing production.

At this point may I say that in some instances it may be possible to effect a change-over from dairy farming to beef farming. In this respect, and using myself as an example because I know whereof I speak, having regard to the investment I had in my dairy farm I could not change over to beef or anything else. I had to stay in the dairy business.

Returning to the present bill, may I again make the suggestion I made when the Farm Credit Act was passed in 1959, that the interest rate be reduced to 3 per cent which is more in line with the earning power of farm

investment, particularly at this time when all farmers are caught in the so-called cost-price squeeze. I believe that the farming people of this country are worthy of that consideration, and I am appealing to honourable senators and to the Government to give consideration to this suggestion.

Before I finish, honourable senators, I would like to pay a tribute to the former chairman of the board, Brigadier T. J. Rutherford, and to his staff for the excellent manner in which they have carried out their duties over the years. I am happy to note that Brigadier Rutherford has consented to serve the board in the capacity of an adviser. I am satisfied that his advice and supervision will be a tremendous asset not only to the board but to the farming people of Canada.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, November 28, 1962

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

Prayers.

FARM CREDIT ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-71, to amend the Farm Credit Act.

> Your Committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-71, to amend the Farm Credit Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

EXCISE TAX ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-80, to amend the Excise Tax Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: With leave of the Senate, I move that the report be adopted now.

Report adopted.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 448 to 460, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

PRIVATE BILLS

THE EVANGELICAL LUTHERAN SYNOD OF WESTERN CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-9, respecting the Evangelical Lutheran Synod of Western Canada, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Macdonald (Cape Breton) moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

THE UKRAINIAN CANADIAN FOUNDATION OF TARAS SHEVCHENKO—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-10, to incorporate the Ukrainian Canadian Foundation of Taras Shevchenko, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Macdonald (Cape Breton) moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills,

reported that the committee had considered Bill S-13, to incorporate the Baptist Convention of Ontario and Quebec, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Willis moved that the bill be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

MERIT INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-14, respecting Merit Insurance Company, and had directed that the bill be reported with the following amendment:

Page 1, line 9: Strike out "La".

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

Hon. Mr. Hayden: With leave of the Senate, I move that this report be taken into consideration now.

Report adopted.

THIRD READING

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

Hon. Paul H. Bouffard: Honourable senators, this bill merely provides for the name of the company in the French language. There is no objection to it. With leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

FLUORIDATION

EFFECT ON WATER SUPPLIES

Hon. Donald Smith inquired of the Government, pursuant to notice:

1. What year did communities in Canada and the United States commence the addition of fluorides to their water supply for the prevention of dental disease and what are the names of these communities?

2. With respect to such communities in Canada,

(a) Is fluoridation continuing?

(b) What steps have been taken to observe the effects of artificial fluoridation?

(c) Were comparisons made with other communities using a water supply of low and of high natural fluoride content?

(d) Did the Federal Department of National Health and Welfare participate in these observations?

(e) What were the results of such observations with respect to, (i) dental health, (ii) general health?

3. What is (a) the maximum permissible level for fluorides added to water supplies?

(b) the level established in water supplies presently fluoridated in Canada?

(c) highest and lowest known level in naturally fluoridated municipal water supplies in Canada, and where do these levels exist?

4. What is the estimated annual cost per capita of fluoridation of municipal water supplies?

5. At the present time is there an equally effective practical alternative to the fluoridation of municipal water supplies?

6. How many municipalities in Canada and the United States are presently fluoridating the water supplies and what is the estimated total population involved?

7. Have the health authorities of any of those municipalities reported any ill effects from fluoridation?

8. In Canada, what provincial and national associations of the dental and medical profession have recommended fluoridation?

Hon. A. J. Brooks: The answer to the honourable gentleman's inquiry is as follows:

1. One community in Canada, Brantford, Ontario, and two in the United States, Newburgh, N.Y. and Grand Rapids, Michigan began to add fluoride to their water supplies in 1945.

2. (a) Brantford continues to fluoridate.

(b) Two independent dental studies have been made of the dental conditions of Brantford children; one by the Brantford School Dental Officer and one by National Health and Welfare.

The health authorities and the medical profession at Brantford have kept the population under close scrutiny.

(c) Comparisons were made among the child population of Brantford and that of Stratford where the water is naturally fluoridated, and that of Sarnia where the fluoride content of the water is negligible.

(d) The Department of National Health and Welfare organized and directed the study in which the dental conditions of the child populations of Brantford, Sarnia and Stratford were compared.

(e) (i) The statistical findings indicate that about one (1) part per million of fluoride in a water supply either added mechanically or derived from a natural source reduces the prevalence of tooth decay among those consuming it from birth by about two-thirds.

(ii) The health authorities of Brantford and of Stratford report no medical ill-effects from the water-borne fluoride in either place.

3. (a) The permissible level of fluoride in a water supply is determined by the province concerned. One (1) to one decimal five (1.5) parts per million is regarded as a suitable range.

(b) The level in common use in Canada is about one (1) part per million.

(c) Fluoride analyses have not been made for all community water supplies. Known fluoride levels range from insignificant traces to four decimal eight (4.8) parts per million. Levels from two (2) to four (4) parts per million are known to occur in Alberta, Manitoba, Ontario and Newfoundland.

4. The annual per capita cost of fluoridation ranges from 3.8 cents upwards to about 10 cents depending on the kind of fluoride compound used and shipping costs. The average is probably below 10 cents per capita.

5. There is no equally effective and practical alternative.

6. The most recent reports show ninety-nine (99) Canadian communities fluoridating. The total Canadian population involved is 1,780,354.

In the United States two thousand two hundred (2,200) communities are reported as fluoridating. The total American population involved is about forty-two million (42,000,000).

7. No ill-effects from fluoridation have been reported by the health authorities of any of the municipalities fluoridating.

8. All ten provincial Dental Associations, the Canadian Dental Association, the Canadian Medical Association and the Canadian Public Health Association have approved fluoridation.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. A. J. Brooks: Honourable senators, before the Orders of the Day are called I would ask for leave of the Senate to proceed with Orders Nos. 2, 6, and 7 respectively before the other Orders.

Hon. Senators: Agreed.

27511-5—22

APPROPRIATION BILL NO. 7, 1962

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Brooks for second reading of Bill C-86, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st of March, 1963.

Hon. Vincent Dupuis: Honourable senators, I thank my colleagues in this house for joining with me in trying to preserve the principle of responsible government in this country. I asked the favour yesterday that second reading of this bill be postponed until today because I did not have the opportunity —nor had the majority of honourable senators—to see what it was all about. It was certainly an important matter because the bill deals with about half a billion dollars.

I have been in the Senate for over seventeen years and I know very well that we all do the best we can to give second thought to legislation, as Sir John A. Macdonald said, by studying it in an objective way. We are appointed to this house for life and it is our duty to ask ourselves whether or not proposed legislation is in the interest of this country. On that account, honourable senators, I thought I had the right to ask for and obtain a postponement of the second reading of this bill.

Now that I have had time to read the bill, I agree with the distinguished Leader of the Government (Hon. Mr. Brooks) that it is generally agreed that these appropriation bills are well studied in the other place and that here we readily accept them, unless some honourable senators object to particular items.

As far as I am concerned, I have no more objection to passing this bill.

Hon. Jean-François Pouliot: Honourable senators, there is one item to which I desire to draw your attention. It concerns the statement made in the other house by the Prime Minister regarding the translation of Beauchesne's book *Parliamentary Rules and Forms* into French. This is a book of 900 pages.

According to the Constitution, each parliamentary paper should be published in both official languages. Sometimes, due to certain difficulties, such as too few translators, the reports of committees which sit in the winter—and which are printed first in English—are delivered in French to the members of both houses the following summer or late fall, months after the session has been prorogued or adjourned. At that late time such a translation could not be of any use to anyone; it goes where it belongs, into the wastepaper basket, which is unfortunate.

I hope that no honourable senator will accuse me of being unfair to my French-speaking compatriots when I say that the translation of Beauchesne's book will be too costly, $10,000, and that it will be useless, for the very good reason that there is another book on the very same subject, entitled *Standing Orders of the House of Commons, 1962,* or *Règlements de la Chambre des Communes, 1962,* which is complete. It is bilingual.

What is the use of translating Beauchesne's big book by men who do their utmost to expedite their regular work and have not the opportunity to complete it in the necessary time? Furthermore, those members who asked for it will be overawed with a new translation of matters that are highly technical. I am sorry to have to contradict those who asked for it. They were all new members. They thought that this book was a well of knowledge. It is not.

Hon. Mr. Drouin: You have read it all.

Hon. Mr. Pouliot: One day in the House of Commons I described one of the earlier editions of Beauchesne by saying that it was done by Pepper with scissors and glue. Pepper was the messenger to the Clerk of the House of Commons. The book was there, and the first edition was dedicated to the first Speaker who occupied the Chair of the House of Commons when I was first elected for Temiscouata. It was a humble dedication to Mr. Speaker, probably because they had to hurry its preparation, which was made up of clippings of bigger books published in England and of Bourinot.

There was a second edition which was a little thicker and cost more. Here is a still bigger edition, which was still more costly; it was presented to me as a gift by the then Clerk, supposedly to inform me about procedure.

While I was a member of the House of Commons, and except for the interval when the present Leader of the Opposition (Hon. Mr. Macdonald, Brantford) was Speaker of that house, and until the election of its present Speaker, there was an atmosphere of mental cruelty in that house, and it was difficult to speak freely in this land of freedom and liberty. If what I say surprises you, I will prove it.

I will prove to you that the word "modesty" was declared to be unparliamentary. It is a word that could not shock the ears of our lady colleagues. This was during the debate on an amendment to the Research Council Act, which was sponsored by the late Minister of Trade and Commerce, the Right Honourable Mr. Howe, who considered the National Research Council as his pet child. He had elaborated about the accomplishments of the Council. After he had completed his remarks, the then Speaker served notice to all members that they should not speak of anything else other than the amendment. He said that he had given a little leeway to the minister but from that point on he would be adamant and not permit anything else to be said other than what was pertinent to the amendment.

I had great admiration for Mr. Howe, because he was a man of action and of vision.

In the *House of Commons Debates* of May 11, 1954, at page 4658 of the unrevised *Hansard,* I am reported thus:

> In listening to the minister, for whom I have deep admiration, I must say that very few men can speak as he has done of personal accomplishments.
>
> Mr. SPEAKER: Order.
>
> Mr. POULIOT: He has done so with modesty.
>
> Mr. SPEAKER: The hon. member for Temiscouata should not deviate from the point at issue. I think the point has been well explained and discussed and it is now settled. The hon. member for Lambton West (Mr. Murphy).
>
> Mr. POULIOT: I cannot understand it.

I had the floor and he gave it to Mr. Murphy because I had mentioned that Mr. Howe had accomplished a lot with modesty.

What do you think of it, Mr. Speaker and honourable senators? I was dumbfounded. Never before in any parliamentary assembly was the word "modesty" declared unparliamentary. It shows how difficult it was to proceed with an argument with such a man in the Chair.

Later on the Speaker gave lectures to the new members of the house in order to acquaint them with the proceedings and practices of the house and, undoubtedly by mistake, he invited me. I had this *Hansard* in hand, but I kept it in my file and I did not show it. I said to him, "What have you got against me?" He said, "Nothing." I asked him, "Why did you stop me when I was saying that Mr. Howe was a modest man?" He said, "I do not remember." I said, "Well, look at the book." He sent a messenger for the bound copy of *Hansard* and he saw it there in print. Then I said to him, "Why did you stop me?" "Oh," he said, "I thought that by using the word 'modesty' you were jeering at me." I had ten or fifteen witnesses, my colleagues who were there, who heard that. It was so bad that he started a new practice.

I say that on account of the sympathy I had for all members of the House of Commons—not now, because there is a good Speaker in the Chair—at that time.

For instance, after having been attacked by the Social Crediters, I had the unquestionable right to rise on a question of privilege, as I had done before on numerous occasions, and the index shows how many precedents there were recognizing my right to defend myself, but I had to wait several months until the Budget Speech was over to say what I had to say. And it was then that Mr. Speaker Beaudoin ruled that it was only what was said in the house that could be complained of on a question of privilege.

My contention was that each member of Parliament, in either house, has the right to claim privilege for any injustice that was done to him anywhere, inside or outside the land, and the place to claim his privilege is always from his seat in either house. He changed the practice which had existed from time immemorial.

What I have told you about the Social Crediters happened in May 1955, during the session before my appointment to the Senate.

Another case was when I said in the house something that was parliamentary about Mr. Bennett, the former Prime Minister. The Honourable George Drew, who was Leader of the Opposition at the time, had used most unparliamentary language about myself. That was on February 17, 1954. I rose to claim my privilege, which was denied me. That is why I did not have much consideration for the practices of the House of Commons.

The Government should not be afraid to postpone the translation of *Beauchesne's Parliamentary Rules and Forms* in order to give more time to the translators to complete the translation of the official papers, reports of committees and all that. Incidentally, I must congratulate them for the immense work they do in translating the debates of both houses in order that we may have the French and English versions on the morning after. The work they accomplish is considerable. In addition to the translation of debates, they have to translate all the committee reports, all the bills, and so on, and I do not see why that very important and essential work which is capital in importance should be delayed for a translation of Beauchesne's book, which nobody will read and which will only lead everyone into confusion.

On one occasion I attended a parliamentary conference in London and spoke about parliamentary rules. I had a work in progress about Standing Orders of the various legislative bodies of the Commonwealth. I went to see a reader of manuscripts at Longmans, Green and Company, in the shadow of St. Paul's, and I showed him my notes. He told me to return to see him later on. He was such a clever, bright fellow that I did not even have to finish my sentences; I had only to say a few words and he understood the meaning of the whole phrase. I returned to see him three days after and he said to me, "In this you have a very good idea but nobody will read the book. To publish it you would have to have the help of a foundation, otherwise you would lose money with it."

During the same period of time I discussed the matter at a meeting of delegates in Westminster Hall, at which there was a delegate from New Zealand named Mr. Schramm. I mentioned to him that there were more standing orders for the Quebec legislative house than for our own house, and it should be better because there were more rules. He said there at Westminster Hall, the great Westminster Hall, "What is the use of rules in debate?"

It is a question of good company, good manners and following each other in turn and under the guidance of a fair Speaker. A fair Speaker we have now, and I am very thankful for that, as are the members of the House of Commons, as Mr. Badanai, the member for the northern Ontario riding of Fort William expressed himself not long ago.

I have perhaps made more speeches in both houses than has any other member of Parliament. I am thankful for the leeway which has been given to me at times and for the kind attention which is given by my colleagues in this house. But, Sir, and honourable colleagues, I must tell you that there is a paramount rule in parliamentary practice. It is that a debater should be in a position to tell the Chair at any time the relation that exists between what he says and what is before the house. That is the main rule and, besides that, one shall not abuse another. One shall not be covered when he addresses the house except during a vote, which is the practice in Westminster. There is not much more than that.

Therefore, to come to a practical conclusion, my suggestion is that you, Mr. Speaker, his Honour Mr. Speaker of the House of Commons, the Clerk of the Parliaments, whom we have here, the present Clerk of the House of Commons, and the law officers of each house should be called together—and there will be three English-speaking and three French-speaking representatives—in order that if there is any disparity between the rules of both houses they may be ironed out. All difficulties should be ironed out so that we may have a small book like this copy of the *Standing Orders of the House of Commons, 1962*, clearly drafted and containing only the essential standing orders or rules.

Motion agreed to and bill read second time.

THIRD READING

Hon. A. J. Brooks, with leave, moved the third reading of the bill.

Motion agreed to and bill read third time and passed.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE ACT

BILL TO AMEND—SECOND READING

Hon. Joseph A. Sullivan moved the second reading of Bill C-4, to amend the Department of National Health and Welfare Act.

He said: Honourable senators, I would first like to make a few prefatory remarks. Two weeks ago the honourable senator from Queens-Shelburne (Hon. Mr. Smith) said that he believed in brevity. I can assure him that as a surgeon I accept that philosophy in full. I had anticipated and hoped that I would have the privilege of discussing Bill C-3 before Bill C-4 came before the house. Bill C-4 is an anticlimax to Bill C-3, and when we come to the consideration of Bill C-3 I propose going into it in detail. That has to do with the two drugs, lysergic acid diethylamide and thalidomide. Due to the widespread publicity given these drugs I feel that Bill C-3 is owed an explanation along different lines from those I have heard so far in the other place.

As we are dealing with health and welfare, it might be well to refresh our memories on the definition of these words. You will recall that when I discussed a bill in this house under the subject of physical fitness I found it most difficult to give you an exact definition of the term "physical fitness". In defining "health", Webster states:

> Sound state of the mind: natural vigor of faculties.

Might I add: Though health may be enjoyed without gratitude, it cannot be sported with without loss, or regained by courage.

Now we come to another word that has had widespread use in the last 20 or 25 years, "welfare." What do we mean by "welfare"? It is,

> Exemption from misfortune, sickness, calamity, and the enjoyment of the ordinary blessings of civil government.

I believe that during the last 20 or 25 years many Canadians have taken that definition too literally.

Before I leave these two words I should like to give you my definition of the four-lettered word, "work." It is: The exertion of oneself, both mentally and physically.

In my humble opinion Bill C-4 is self-explanatory. It is a bill providing for a National Council of Welfare, a high-level advisory body patterned on The Dominion Council of Health. Like the health council, it would be a federal-provincial organ. This council will re-assess present welfare measures and recommend the direction of new social security measures.

If honourable senators will refer to the explanatory note to clause 2 of the bill, they will see the crux of the whole measure. It reads:

> . . . The purpose of this amendment is to establish a National Council of Welfare. The wording of the new section follows closely the wording of the present section 7 of the Act, under which a similar council in the field of health was established. It is intended that the functions and duties of the National Council of Welfare shall be to consider matters relating to welfare activities in Canada and to advise the Minister thereon and thus perform functions in the field of welfare similar to those performed by the council established under section 7 in the field of health.

Honourable senators are aware that the Government has long had at its disposal a top-level advisory council in the field of health, consisting of deputy ministers of health as well as non-government representatives. This council has had a distinguished record of service to the nation stretching over a period of some 43 years. As the minister stated, in view of this council's contribution to Canada's health progress, the Government has felt that it would be equally helpful to have a similar body established in the field of welfare. This is the major purpose of the legislation.

The proposed National Council of Welfare would be in the nature of an advisory body to the Minister of National Health and Welfare, with duties and functions paralleling those of the health council, with its membership drawn up on a comparable basis. The new council will afford social welfare the status which is its due, and will exert significant influence on future developments in this field. I might add that the provinces have also expressed the view that these joint programs should be re-assessed.

At the Dominion-Provincial Conference in the fall of 1960 the Prime Minister indicated the need for further study in order that measures might be simplified and, if possible, consolidated to some extent. The new National Council of Welfare will provide a vehicle through which these matters may be considered.

Two examples could be mentioned of the sort of problem that will be referred to this council. There is the question of additional aid to the blind, which has been raised by organizations representing the blind in Canada. Then there is the question of the most appropriate approach with respect to the provision of aid under our federal-provincial assistance program.

Frankly, I think this is an excellent move. There is no denying the fact that for far too long welfare has been much too dependent upon the political whims of the politicians who, in the long run, so often evaluate these matters by the number of votes that might be secured. We cannot deny the inequality and the variations that exist in this area today.

Honourable senators are well aware that this bill received unanimous endorsation in the other house. However, I would simply like to reiterate what was so well expressed by a physician in the other place particularly as it pertains to older people. It will help these older people to remain in their own homes as long as possible. Many of these people deteriorate mentally at a more rapid rate when they are transferred to old people's homes than they would if left in familiar family surroundings. They become problems. From the humanitarian standpoint I believe this is of the utmost importance. Problems such as this will, I believe, come to the fore with the enactment of this legislation.

The council would be expected to consider an old age, survivors, and disability insurance program. It would help with the national contributory pension plan once the constitutional amendment has been obtained, and in fact no facet of the Government's extensive social justice program would be exempt from its scrutiny.

The deputy ministers of the federal and provincial governments are to be members of the council and will bring to its meetings many years of experience in technical problems relating to the administration of social welfare measures in Canada. In addition, provision is made for ten representatives from outside of government. This will provide an opportunity to bring to the council the experience of many persons who have made a substantial contribution in the voluntary welfare field and to provide for citizen participation as well as geographic representation.

The council might be constituted somewhat as follows: the deputy ministers of the provinces, as stated, will be appointed to the council as representing the public sector of welfare circles. There is a great deal of a voluntary effort in the welfare field and it is anticipated that several members will be chosen from it. It is also anticipated that there will be a representative from labour, agriculture, and the business community. That, I think, pretty well covers the ten members, apart from those representing the public welfare field.

Honourable senators, I might mention very briefly the other amendment to the Department of National Health and Welfare Act. It is merely of a routine character and, as explained in clause 1 of the explanatory notes, it provides for the repeal of paragraph (g) of section 5 of the act. As it stands now, the paragraph lists a number of statutes which at the time of the introduction of this Act were within the duties, powers and functions of the minister. This has become out of date and must either be changed or deleted altogether. The decision of the Government pertaining to this particular paragraph is that it should be deleted altogether. If it were retained this would necessitate opening up the act for amendment whenever changes occurred in the programs. As the minister stated, it is merely a step toward tightening up the existing legislation.

After some careful study of this bill I have no hesitation in recommending it to the house, and I sincerely trust it will receive the complete endorsation of all honourable senators. If that approbation is given, naturally it will be referred to the Standing Committee on Public Health and Welfare where members of the department could be interrogated.

Hon. W. Ross Macdonald: Honourable senators, I am sure we are all grateful to the honourable senator from North York (Hon. Mr. Sullivan) for his explanation of this bill, and we are glad to have his enthusiastic support of it. He has not only explained the bill, he has added to it.

I read the bill and came to the conclusion that its purpose was to appoint a national council on welfare comprised of the persons set forth in clause 2 of the bill, but I cannot find anything in the bill which would give any powers to the council. Although the honourable senator who introduced the bill told us what the powers and the duties of the members of the council would be, there is nothing set out in the bill to this effect. There is already a similar council in existence in connection with health, and apparently it has functioned satisfactorily. However, it did occur to me that there should be something more definite in this bill with regard to the functions of the council.

Honourable senators will note that the only intimation of the functions of the council is in subsection 2 of the new section, which says

> The National Council of Welfare shall meet at such times and places as the

minister may direct and shall be charged with such duties and powers as the Governor in Council may prescribe.

I suppose we will have to wait until we see what the Governor in Council does. The honourable senator who introduced the bill has intimated what that might be but, as I say, it is not set forth in the bill. I feel that we should not have to rely on what the Governor in Council may prescribe, but that it should be set forth more fully in this bill.

I am also somewhat confused as to where the duties and responsibilities of the Department of Health in Ottawa cease and where the responsibilities of the various departments of health in the provinces commence. It has occurred to me that there may be considerable overlapping, as is the situation with other departments.

Honourable senators are aware that we have a Department of Agriculture in Ottawa, and each province has a Department of Agriculture. We have a Department of Fisheries in Ottawa and a number of the provinces have a Department of Fisheries. We have a Department of Forestry in Ottawa and a number of provinces have a Department of Forestry. Just where does the responsibility of Ottawa cease in connection with health, and where does the responsibility of the provinces commence? It seems to me that one of things which this council might consider is whether there is any overlapping in the field of health and welfare, because if there is such overlapping it certainly should cease.

Hon. Mr. Sullivan: I think that is the purpose of the bill, to differentiate between the functions of these two branches, health and welfare.

Hon. Mr. Macdonald (Brantford): Let us take welfare, for instance. Is there overlapping in this field between the federal and provincial authorities?

Hon. Mr. Sullivan: I would think so.

Hon. Mr. Macdonald (Brantford): Then it would be well if this overlapping could be abolished.

I am glad that the bill is to be sent to committee, and I hope that at that time a representative of the Government will be present to give us a clear idea as to the respective powers of the provincial and federal governments with regard to health and welfare.

Honourable senators, I shall be pleased to support the bill.

Hon. Mr. Reid: I would like to direct a question to the honourable senator who introduced the bill, about the explanatory note which states that paragraph (g) is being repealed. In that notice of repeal I read that the Opium and Narcotic Drug Act will not be included if this bill goes through, and as I have to travel to the west coast in connection with fisheries, I shall not be here to deal with this point when it comes up in committee. I am rather interested in that act by reason of the lengthy examination by the Senate into the serious question of use of narcotics, and I would like to know if this provision is repealed by this bill will it be covered in some other act or omitted entirely.

Hon. Mr. Sullivan: I think it will remain under the Department of National Health and Welfare.

Hon. Arthur W. Roebuck: Honourable senators, I would like the sponsor of this bill to tell us what powers will be given to the individuals who are to be appointed, if the measure goes through. I do not object to giving people duties because they can always refuse to accept them if they are not acceptable or not in the public interest, but I do not like legislation which delegates to individuals unspecified powers. Governmental responsibilities and powers so given to individuals are frequently abused, and I think we in this house should know exactly the special privileges we are asked to confer, whether it be in the realm of health or anywhere else.

Why, may I ask the sponsor, does not the bill set out exactly what powers we are giving to the people to be appointed later?

Hon. Mr. Sullivan: I am afraid I cannot answer that question.

Hon. Mr. Hollett: Honourable senators, I notice that the functions of this new council are to be similar to those functions in the field of health now performed by the council established by section 7. Can the honourable sponsor of this bill (Hon. Mr. Sullivan) tell us just what are the functions of the Dominion Council of Health so that we will then have some idea of the functions of the National Council of Welfare?

Hon. Mr. Sullivan: I have not that information at my fingertips, but I can obtain it.

Hon. Salter A. Hayden: Honourable Senators, I have looked up the provisions of the Department of National Health and Welfare Act. In view of what in the bill appears to be a repeal or striking out of references to certain statutes in respect of which the minister is given the authority to administer, I think a possible explanation may be that the minister already has general power because

section 5 of the Department of National Health and Welfare Act starts out by saying:

> The duties, powers and functions of the Minister extend to and include all matters relating to the promotion or preservation of the health, social security and social welfare of the people of Canada over which the Parliament of Canada has jurisdiction, and, without restricting the generality of the foregoing, particularly the following matters—

And then follows a long list. Paragraph (g) lists these various statutes referred to in the bill before us, and that paragraph is being repealed by this bill. Section 5, paragraph (g), to which the honourable sponsor of the bill referred, merely contains a list of certain statutes that come within the general authority given the minister. Note the language of the section, "without restricting the generality of the foregoing particularly the following matters..." In other words, even if paragraph (g) is repealed, the Food and Drugs Act still continues in existence, and if it deals with a matter relating to the promotion or preservation of the health, social security and social welfare of the people of Canada, it would still be within the jurisdiction of the minister of that department.

Therefore, this bill is really not doing very much. I suspect that some person got a sudden rush of desire for simplicity and decided to strike this out. It may be that many other things in this act can be stricken out if someone applies himself to that purpose.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Sullivan, bill referred to the Standing Committee on Public Health and Welfare.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE

BILL TO AMEND—SECOND READING

Hon. John M. Macdonald moved the second reading of Bill C-49, to amend an Act to amend the Combines Investigation Act and the Criminal Code.

He said: Honourable senators, the purpose of this bill is to extend until December 31, 1964, the legislation, first passed in 1959, which provided that the anti-combines legislation would not apply to certain arrangements made between fishermen in British Columbia and fish buyers or processors in that province relating to prices and other conditions under which fish would be caught and supplied.

From the discussion of similar legislation in other years, honourable senators will recall that it was the practice in British Columbia for fishermen, through their union or association, to meet annually with the fish buyers and come to an agreement as to the minimum price to be paid for fish, and other conditions under which fish would be caught and supplied.

Then in 1959 a statement of evidence was submitted by the Director of Investigation and Research under the Combines Investigation Act to the Restrictive Trade Practices Commission in reference to the fishing industry in British Columbia. The statement alleged that certain arrangements and activities in the industry had been in violation of the provisions of the anti-combines legislation. As a result of this buyers refused to negotiate for the 1959 catch, and as the fishermen would not fish without the usual agreement there was danger that the British Columbia salmon catch, and perhaps that of other species, would be lost.

As I mentioned, the director had submitted a statement of evidence, and the normal procedure would then be for the commission to hear argument on the points in issue and submit a report to the Minister of Justice. This would, of course, take some time and could not have been done in time to prevent a work stoppage by the fishermen involved. In 1959 Parliament passed the first of these acts which provided that nothing in the Combines Investigation Act, or in section 411 of the Criminal Code, would apply to the arrangement made between the fishermen in British Columbia and those engaged in the buying or processing of fish during the years 1959 and 1960. On two other occasions similar legislation has been passed, so that the period has been extended to December 31, 1962. The present amendment would further extend it to December 31, 1964.

I understand that when the original legislation was passed it was felt it gave ample time for the commission to conduct the hearings and make its report. However, it did not work out that way. There has been a series of court actions in Ontario and British Columbia bearing upon the proposed inquiry, the last of which was concluded only in October of this year. The Commission should now be able to proceed with its hearings and the matter brought to a conclusion.

Honourable senators, similar bills have been referred to a committee in previous years, but it may not be considered useful to refer this legislation to committee. However, as I feel the bill should go before a committee I shall be pleased, if it receives second reading, to move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Arthur W. Roebuck: Honourable senators, it may be you will remember that when similar legislation came before us on previous occasions I objected to it. If my memory serves me correctly, I twice voted against similar bills. I did that for the reason that the Combines Investigation Act has been a standard for this country for many years, and it has prevented actions detrimental to the public welfare over the entire period during which it has been in force. The Criminal Code, as all honourable senators know, protects every individual in the entire nation. It is an exceedingly important statute, and one of its most important provisions is that competition shall not be unduly restricted by combinations of people. This bill seeks to set aside the provisions of both the Combines Investigation Act and the Criminal Code with respect to an agreement between the fishermen and their employers.

This is vicious legislation, honourable senators, and it should never have been passed in the first instance. The last time a similar bill was before us we were told that it would be in force for just a few months while certain negotiations were taking place. I remember that I was asked if I wanted to bring about a strike in the industry. The same question could be asked, of course, in connection with all relations between employers and employees. Are we to set aside the Criminal Code, of all statutes, and the Combines Investigation Act, in order that strikes shall not occur or to facilitate some agreement that is not before us and as to the terms of which we know nothing?

In my judgment this is positively vicious legislation that should never have been brought before Parliament in the first place, and should not now be extended again after the previous three or four extensions, on the ground that only a short time is required. I shall vote against this measure.

Hon. Sydney J. Smith: Honourable senators, as this bill relates to a matter which is of interest only to the province of British Columbia, I think those from other provinces should be reminded of the circumstances which brought about this legislation in the first place and the many extensions which have been made. I wish to compliment the honourable senator from Cape Breton (Hon. Mr. Macdonald) who explained the bill. He covered the ground which I had intended to cover, and he gave the house a pretty good review of the circumstances leading up to this legislation and also the reasons for the various extensions since it was first introduced.

At the same time, I sympathize with the stand taken by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). This is a case where the strict letter of the law, had it been adhered to in the first place, would have brought disaster. We must accept the situation, that it was to prevent a strike at that time. We must give due consideration to the fact that during the period covered by these various extensions there has been peace in the industry there.

The fishing industry is one of the important industries to our province. Naturally we wish to see the peaceful conditions in that industry continue, if all other things are equal and if all parties affected are satisfied, and that has been the case. The fishermen and the processors are quite happy with the moratorium or exemption which was granted with respect to anti-combines legislation.

This is not a permanent solution, and it is unfortunate that each time a renewal of this exemption has come up it has been freely expressed, and I think unanimously agreed, that each extension should be the final one.

I do not want to see conditions in the industry disturbed in our province, as satisfaction has been expressed on both sides with this temporary solution. It really is not a solution at all, for it is not permanent and is only a temporary expedient. We have been faced with failure on the part of the appropriate bodies or persons who might have done something to bring about a permanent solution. That has not been accomplished, so I do not think we have any choice but to accept an extension.

The fact that Parliament has condoned what has been in effect for the last few years continues to strengthen the case that a permanent solution should be sought. I cannot impress on the Government too strongly the necessity to find a permanent solution before the extension provided for in this present bill expires.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Macdonald (Cape Breton), seconded by the Honourable Senator Emerson, that this bill be now read the second time. Is it your pleasure to adopt the motion?

Hon. Mr. Roebuck: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

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

Hon. Mr. Macdonald (Cape Breton): At the next sitting.

Hon. Mr. Croll: Is the honourable senator not going to ask that it be referred to committee?

Hon. Mr. Macdonald (Cape Breton): It is in the hands of the honourable senators.

Hon. Mr. Croll: I understood it was going to committee and therefore I did not speak in the debate. I think some explanation is necessary.

Hon. Mr. Macdonald (Cape Breton): Very well. I move that the bill be referred to the Standing Committee on Banking and Commerce.

Motion agreed to.

DIVORCE

BILLS—THIRD READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-376, for the relief of Anna Annette Brahmi.

Bill SD-377, for the relief of Therese Beaulieu.

Bill SD-378, for the relief of Elaine Redmond.

Bill SD-379, for the relief of Daniel Gaston Jules Caron.

Bill SD-380, for the relief of Werner Burke Michelsen.

Bill SD-381, for the relief of Patricia Marjorie Maisonet.

Bill SD-382, for the relief of Juliana Magdelene Ashley.

Bill SD-383, for the relief of James Coade.

Bill SD-384, for the relief of Franklin Dale Hufford.

Bill SD-385, for the relief of Laurier Allain.

Bill SD-386, for the relief of Paul Orlivsky.

Bill SD-387, for the relief of Jethro Garland Crocker.

Bill SD-388, for the relief of Bernice Bordensky.

Bill SD-389, for the relief of Armand Gauthier.

Bill SD-390, for the relief of Doreen Klara Culmer.

Bill SD-391, for the relief of Margaret Rose McDuff.

Bill SD-392, for the relief of Marie Celine Pierrette Lapointe.

Bill SD-393, for the relief of Robert Inglis, junior.

Bill SD-394, for the relief of Gertrude Lindener.

Bill SD-395, for the relief of Patricia Sabetta.

Bill SD-396, for the relief of Pierre Lacasse.

Bill SD-397, for the relief of Edna Anne MacPherson.

Bill SD-398, for the relief of Willa Keith Thomson.

Bill SD-399, for the relief of Geralde Lalonde.

Bill SD-400, for the relief of Monique Mercure.

Bill SD-401, for the relief of Marie Aline Martine France.

Bill SD-402, for the relief of Elsie Clifford.

Motion agreed to and bills read third time and passed, on division.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 409 to 447, which were presented yesterday.

On motion of Hon. Mr. Roebuck, chairman of the committee, reports adopted.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, November 22, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-3, to make provision for the disclosure of information in respect of finance charges.

Hon. J. W. de B. Farris: Honourable senators, in speaking to this motion I have divided sentiments. I recognize the merit of my honourable friend's bill, yet I intend to vote against it. I shall try to justify that position.

We are all agreed that the honourable senator from Toronto-Spadina (Hon. Mr. Croll) is entitled to commendation for his desire to grant relief in connection with people who sometimes involve themselves in contracts in which they incur expenditures they did not appreciate. We also give him credit for the persistence with which he keeps renewing his proposal. On the other hand, I feel that it is my duty to oppose this bill, because I do not think it comes within the jurisdiction of the Canadian Parliament. I think it comes within the jurisdiction of the provisions of the British North America Act, under section 92, Property and Civil Rights in the Province.

I propose to be as brief as I can in my discussion of this subject. I am afraid that last Wednesday I made what seems to have been one of the longest speeches in the Senate, and I shall try to even things up by making a short one now.

Honourable senators, I shall divide my argument into three parts. The first part will

contain my reasons, as a lawyer of some experience, for thinking that it is not within our jurisdiction. Secondly, I shall endeavour to point out the harm I think would be done to the cause with which we are all in sympathy and favour, if it so happens that I am right in my contention and if we pass this legislation. In the third place, I wish to offer what I think is the remedy which should solve this problem effectively.

Honourable senators, first I should like to give my reasons for saying this legislation is not within our jurisdiction. At the last session, when this matter came up, Mr. Hopkins, the Parliamentary Counsel charged with advising us on various matters, gave an opinion that this would be within our jurisdiction. He based that opinion on two grounds: first, that of criminal law and, secondly, that it related to interest.

In the criminal law aspect, he cited the Proprietary Article Trades Association case, which has been referred to in the courts as the P.A.T.A. case.

I know something about that legislation. It came up before Lord Atkin in the Privy Council and he held that that legislation was valid under the Dominion. At a later time I was in another case before the Privy Council and I tried to convince the court that my case could be supported notwithstanding this previous decision. Unfortunately, I was appearing before the same judge who gave the previous judgment, so I did not get very far. However, I got this far, that I know now what I was talking about then. Lord Atkin said to me, with a little bit of menace in the tone of his voice, "Are you suggesting that I was wrong in my judgment?" I replied, "Oh, no, my Lord; I am trying to get around it by distinguishing this case from the other." He smiled, but I didn't.

The basis of that judgment was this: In a previous case it had been suggested that the test of the criminal law was whether it was contrary to public morals. So when it comes to Lord Atkin's judgment in the P.A.T.A. case, we must read it in its context. Lord Atkin, in dealing with the suggestion that criminal law must be decided by its morality, said that that was not a sound theory at all, because public conception of what is right and wrong keeps changing continuously. He stated:

> The criminal quality of an act cannot be discerned by intuition, nor can it be discovered by reference to any standard of wrong. There is only one test: Is the act prohibited with penal consequences.

Many lawyers, in my humble submission, have misread that statement by Lord Atkin. It must be read in its context, and its context is that he was replying to the theory that it was only those things that are *malam per se* that are criminal. In that sense, his judgment makes good sense. But I want to point out to honourable senators that if he was making a broader statement than that, it might be right according to the English law, but not according to the Canadian Constitution. If he was laying down a principle that applied to all cases, and not in the special circumstances he was dealing with, then of course it could not possibly have been right, because in the British North America Act we have two clauses that determine the respective jurisdictions of the provinces and the Dominion. Section 91 deals with the powers and jurisdiction of the Dominion, and section 92 deals expressly with the powers of the provinces. Criminal law is within the express powers of the Dominion. Section 92 says:

> In each Province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say,—
>
> 13. Property and Civil Rights in the Province.

Without elaborating, it is my opinion without question that the making of a contract and the terms which must be in that contract come within the expression, "property and civil rights".

Another important provision, item 15, says:

> The Imposition of Punishment by Fine, Penalty, or Imprisonment for enforcing any Law of the Province made in relation to any Matter coming within any of the Classes of subjects enumerated in this Section.

So you have two kinds of criminal law in Canada. In England, where Lord Atkin was familiar with the law, you have only one kind. All criminal matters are criminal within the Parliament of the United Kingdom. The law there does not question whether it is provincial criminal law. Here it is different, where lawyers have become accustomed to calling it provincial criminal law, and they are right. Under Lord Atkin's decision the criminal law is something that is prohibited, and for which a penalty is provided. Maybe it is not only federal but provincial criminal law, and this is a fine illustration. If it is property and civil rights there may be the imposition of punishment by fine, penalty, or imprisonment, and that does not make it criminal under section 91 of the British North America Act. It makes it criminal under the limited provisions of criminal law, termed

rather loosely but effectively "provincial criminal law". So when Mr. Hopkins held that that P.A.T.A. decision was the guiding one, I cannot agree with him.

I am not here to suggest or to give an opinion. To begin with, I am not retained, and no lawyer can be regarded as giving a sound opinion unless he is retained to give it. I am here as a senator, and I expect to exercise my own opinions about matters of which I know. I do not claim to know much about criminal law, but what I do know is part of my profession, and I say that so far as I am concerned this legislation does not come within the category of criminal law. That being my belief, as a member of the Senate, I must govern my actions according to my own beliefs, and if that is of any assistance to any other senator he is welcome to it.

The honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford), when I discussed the matter with him the other day, said that we should follow the opinion of Mr. Hopkins, because he is our legal advisor. I am not so sure about that. It is perhaps true up to a point. A private citizen may seek the advice of his solicitor, but he does not have to accept his opinion. We in the Senate should seek the advice of our same Parliamentary Counsel, but if we feel in doubt we are not obliged to accept his opinion. I do not intend to be arbitrary or to suggest that I am right, but I want to say that at the most it is a highly debatable question.

The next question that comes up is Mr. Hopkins' suggestion that this matter comes within our jurisdiction because it is in respect to interest. My honourable friend from Toronto (Hon. Mr. Hayden) made a careful analysis of this in the house the other day. I listened to him with care, and I am in complete agreement with his opinion. This is not, in my opinion, legislation in respect to interest. It is legislation in respect to the form that contracts must take and the information that the contract must give to the person who is purchasing the goods on credit. It is true that in the form of the contract one of the things that must be set out is what the interest is or what the total cost would be in terms of interest, but there is no suggestion whatever to limit or fix the terms of interest.

Mr. Hopkins, in following Mr. Varcoe's opinion when he was deputy Minister of Justice, said that in this connection he would be governed by the Small Loans Act. The Small Loans Act, as my honourable friend from Toronto (Hon. Mr. Hayden) said the other day, purported to fix a rate of interest or to limit the amount of interest. There is nothing of that kind here, not a word as I follow it, that fixes the rate of interest. All the bill says is that if you make certain kinds of contracts you must set out all the facts and show each item of cost that the purchaser has to pay in the end. That is not legislation in relation to interest. In my judgment the law is pretty well settled on that question.

In the province of British Columbia, just about at the turn of the century, there arose the question of provincial legislation which prohibited Chinamen from working underground. I got in wrong once in this house by using the word "Chinaman", but on this occasion I do not use the word myself, I merely quote it. The legislation I refer to used the word "Chinaman", and said, "No Chinaman shall be employed underground in coal mines." The question came before the Privy Council, which at that time established for the first time, I think, the principle that the test must be what is the pith and substance of the legislation; and that expression has come down through the cases for the past 50 or 60 years, following the decision of the Privy Council of that day.

While that case purported to involve legislation in regard to the safety of the mines, the argument was that the Chinamen—and again I am quoting that expression—did not understand English very well and were not trained in the niceties of taking care, and therefore it was not safe to have them working underground in the mines. The Privy Council rather brushed that aside and did not take it very seriously; they said the real pith and substance of the legislation related to immigration and naturalization.

Lord Watson, I think, presided in that case, and, in his judgment, if he used the word "Chinaman" once, he used it many times. He said: the test here is that the people of this race are immigrants, or are the children of immigrants, and they also become naturalized, and this legislation in its pith and substance is in relation, not to the safety of the mines—they would not accept that—but is in relation to immigration and naturalization, and is therefore within the federal jurisdiction under section 91 of the British North America Act and not within the jurisdiction of the provinces, and they held it was *ultra vires*.

Now, honourable senators, if I were in court I could go on for probably half an hour at least to develop my views on this matter. But I would not convince anybody here by my argument. All I want to convey to honourable senators is the idea that, whether you regard this from the standpoint of criminal law or from the standpoint in relation to interest, whether that is its pith and substance or not, it is a highly debatable subject and in my opinion, for what it is worth, in

either case it is not within federal jurisdiction. It does not purport to legislate in relation to interest. It purports to regulate a form of contract.

All lawyers present will appreciate this comparison. We have, coming from the English law, what we call the Statute of Frauds in which certain provisions are made, one being that no contract shall be enforceable if it is in relation to a debt, promise or default of another, unless it is in writing. Nobody has ever suggested that this provision was criminal law or related to anything except to a contract between the parties. I say that this is the pith and substance of this proposed legislation: it is in relation to the dealings between two persons and is not legislation the pith and substance of which is in relation to either criminal law or interest.

I say that much, honourable senators, admitting that I may be completely wrong. I have had that experience more than once, but at times I found I was right. In this case I think that at the very most the problem is so uncertain that no one can at this time say with authority whether Mr. Hopkins and those who take his view are right or whether I and those who accept my view are right. The most one can do is point to the harm that might result should we pass this legislation at this stage. The law is well established that in relation to the same subject matter you cannot have provincial jurisdiction that is good and federal jurisdiction that is good. One or the other is bad. If we at this time pass this legislation and later on the courts hold that it is bad, we will have done a lot of harm to the cause my honourable friend supports.

Hon. Mr. Roebuck: The provinces will know what are their rights.

Hon. Mr. Farris: I am coming to that. But they won't know them until the legislation is before the courts, and that is one of the harms that I say we may do at the present time.

I do not think that we should pass this legislation and throw the burden on private individuals to carry it to the courts. It may take one, two or three years before anybody does so. But what happens in the meantime? If we are right in passing this legislation, the existing provincial legislation, or intended legislation, will be in the minds of most people invalid. If our legislation is good, existing provincial legislation is invalid. That would be a highly undesirable situation, and I do not think we should contribute to that when there is an obvious remedy.

The remedy I propose to the Senate is a very plain one. I have before me the Supreme Court Act, and I refer you to section 55, headed "References by Governor in Council".

> 55. (1) Important questions of law or fact touching
>
> (a) the interpretation of the British North America Acts;
>
> (b) the constitutionality or interpretation of any Dominion or provincial legislation;
>
> . . . may be referred by the Governor in Council to the Supreme Court of Canada . . .

And it is the duty of that court, if a reference is made to it, to give to the Government of Canada the opinion of the court as to whether the legislation is valid or invalid.

Now we do not need to pass this legislation, to keep it on a teeter, to have that accomplished. This proposal is now before us for the fourth session. There is no question about its importance, and there can be no doubt about the honest and proper concern not only of my honourable friends who support this measure but of the people of Canada as well. This question more than any other requires the implementation of the suggestion I am making, namely, that the federal Government, under section 55 of the Supreme Court Act, should refer this question to the Supreme Court of Canada for its opinion. And as I have said, this legislation does not have to be passed by us in order to force that issue. If it is passed by us it will be a very unfair imposition on private persons concerned in such contracts to have to carry this question to the courts. If section 55 is invoked, it will then be a high issue between the provinces and the Dominion, and under the rules and procedures it will then follow that the Dominion will take one side and the provinces will take the other side. If private interests wish also to appear they will have the right, but there will be no need to do so. The issue will then be settled, and settled finally.

I submit that is what ought to be done in this case, and I say to the Leader of the Government (Hon. Mr. Brooks) that he should urge the minister in this house—I am sorry that he is not here to get the benefit, if there be any, of what I am saying—to suggest to the Government that this is what ought to be done. I say to others, both in the Senate and elsewhere, and to the press, that recognition should be given to this suggestion. They ought to support the honourable senator

from Toronto-Spadina (Hon. Mr. Croll) in the highly meritorious proposals he has made. But the question should not be decided by the Senate or the Commons: it ought to be decided by the Supreme Court of Canada, and a reference ought to be made to it at this stage. Until that is done, I intend to vote against this legislation.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, November 29, 1962

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

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
Ottawa

29th November, 1962

Sir,

I have the honour to inform you that the Hon. Patrick Kerwin, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor-General, will proceed to the Senate Chamber today, the 29th November, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

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

The Honourable
The Speaker of the Senate.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Arthur L. Beaubien, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-49, to amend an Act to amend the Combines Investigation Act and the Criminal Code:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Beaubien (Provencher): I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Beaubien (Provencher), for Hon. Mr. Hayden, reported that the Standing Committee on Banking and Commerce had considered Bill C-49, An Act to amend An Act to amend the Combines Investigation Act and the Criminal Code, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. John M. Macdonald: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Hon. W. Ross Macdonald: Is there any special reason why this bill should be read the third time now?

Hon. Mr. Macdonald (Cape Breton): The reason I had in mind, honourable senators, is that there is to be royal assent this afternoon and I thought, if there is no objection, we might include it with the bills to receive royal assent.

Hon. Arthur W. Roebuck: Honourable senators, I have already expressed myself rather forcibly in connection with this bill, but I would not like it to pass third reading without some further comment on my part.

I attended the meeting of the Standing Committee on Banking and Commerce this morning, and along with a number of others I asked questions of the departmental representative who was present to explain and, if he could, justify the bill. The explanation given was that the purchasers of fish have stated that unless we relieve them of the liability of the penalties that might be involved in an infraction of these two statutes they would not buy fish, and if they did not buy fish the entire catch would be lost.

It seems to me an easy statement to make, but why they would want to go out of business because of the application of a section of the Criminal Code or the Combines Investigation Act, I do not know. At all events, this argument was not convincing to me. But whether it is convincing or not, I am opposed to the waiving of certain provisions of the Criminal Code of Canada to facilitate the business of anybody, particularly in view of the fact that these gentlemen have not yet told us just what crimes they propose to commit and which they are asking us to justify in advance.

They could, of course, have brought to us a form of agreement that they propose to enter into, and ask us whether it would be

satisfactory under the circumstances. Then, knowing just what the circumstances are we might, perhaps, have validated the agreement. That would be a reasonable thing to do, perhaps, under certain circumstances, but to set aside the Criminal Code in advance to validate what somebody else proposes to do is, to my mind, subversive. To say that it is bad principle is rather an understatement of the situation. I do not know why they did not throw in the Scriptures and the moral law at the same time. Then they would have been free to do almost anything, and their consciences would have been free as well.

I do not know how this has worked out in the past. I do not live in British Columbia. I am not an expert in fishing, but I am something of an expert in criminal law and, perhaps, something of an expert too in the general law of Canada. I say that this is subversive; it is the worst of bad principle; this is an act that we should not continue and that we should never have passed in the first place.

There are ways of getting around difficulties that do not involve amendments of this kind. It is something we just do not do in this community. We uphold legislation necessary to protect the public, to protect those who are not able to protect themselves, and by the provisions that are necessary to maintain an orderly community.

Argument to the contrary does not help us at all. When we are convinced of the necessity for rules of this kind in a civilized community we just do not set them aside in individual cases. Under special circumstances, one can usually find a way of achieving results which are legitimate, without subversive actions such as are contemplated in this bill. I am opposed to such methods. I note that we are apparently about to pass the bill, so that I stand once again in splendid isolation. So far as I can see, you are about to continue this immunity. Well,

> If it were done when 'tis done, then 'twere well
>
> It were done quickly.

So, go ahead, but please record the fact that I am opposed to such legislation.

Hon. Jean-François Pouliot: Honourable senators, having considered this matter and having listened to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), who has just spoken, I have only one thing to do, that is, to share his views and concur in what he has said with regard to the legislation before us. I find it unjust.

If there is something wrong in the Combines Investigation Act or in Section 411 of the Criminal Code, there is only one thing to do, that is to repeal that legislation. To make an exception of the kind suggested in the bill before us cannot be accepted by any one. There should be no exception to the provisions of the Criminal Code. If they are good, let us keep them for all; and if they are not, let us repeal them once and for all.

The Hon. the Speaker: Honourable senators, with leave of the Senate, it is moved by the Honourable Senator Macdonald (Cape Breton), seconded by the Honourable Senator Buchanan, that this bill be now read the third time. Is it your pleasure to adopt the motion?

Hon. Mr. Pouliot: On division.

Hon. Mr. Roebuck: On division.

Motion agreed to and bill read third time and passed, on division.

EXCISE TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Arthur L. Beaubien, for Honourable Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-80, to amend the Excise Tax Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Macdonald (Cape Breton): With leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

INTERNAL ECONOMY

FIRST REPORT OF COMMITTEE

Hon. L. P. Beaubien, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's first report:

> Your committee recommend that the usual supply of stationery, et cetera, which has been selected by your committee with due regard to usefulness and economy, for use of senators in their rooms and desks in the Senate chamber, be supplied according to the lists approved by your committee and deposited with the clerk of stationery, and that the distribution be made in a way similar to that of the present session.

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

Hon. Mr. Beaubien (Bedford): Honourable senators, with leave, I move that the report be taken into consideration now.

Hon. Mr. Isnor: Honourable senators, I understand that this report will appear in today's *Hansard*, and I think we should have an opportunity to examine it before we are asked to adopt it, if that is agreeable.

Hon. Mr. Macdonald (Brantford): Agreed.

Hon. Mr. Beaubien (Bedford) moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

SECOND REPORT

Hon. Mr. Beaubien (Bedford) presented the second report of the Standing Committee on Internal Economy and Contingent Accounts:

1. That Maxime J. Potvin, Senate charman, be retired, effective November 16, 1962, under the provisions of the Public Service Superannuation Act.
2. That Mr. Potvin be granted, in lieu of retiring leave with pay, a gratuity equal to the difference between three months' salary and annuity for that period.

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

Hon. Mr. Beaubien (Bedford) moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

THIRD REPORT

Hon. Mr. Beaubien (Bedford) presented the third report of the Standing Committee on Internal Economy and Contingent Accounts:

1. That Mrs. Louise Barr, Senate charwoman, be retired, effective November 16, 1962.
2. That Mrs. Barr be paid a gratuity of $120.

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

Hon. Mr. Beaubien (Bedford) moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, December 4, 1962 at 8 o'clock in the evening.

Motion agreed to.

HON. M. WALLACE McCUTCHEON, P.C.

DESIGNATED TO STUDY GLASSCO REPORT

On the Orders of the Day:

Hon. W. Ross Macdonald: Honourable senators, whenever a distinction comes to or an important responsibility is placed upon one of our fellow senators it is customary for a member to bring it to the attention of the Senate.

Today the Prime Minister has announced that the Honourable Senator McCutcheon, in his capacity as Minister without Portfolio, has been designated to study and implement, with the assistance of a Cabinet committee and the Treasury Board, such aspects of the Glassco Commission Report as are feasible.

Honourable senators, I do not know that I should congratulate the honourable senator upon assuming this heavy responsibility, but I do think we all take some satisfaction from the fact that the Prime Minister has looked to this house for one who would assume such a role as will be necessary in connection with the work of this commission.

I am sorry that the Honourable Senator McCutcheon is not in his seat today. I trust that he will be here from time to time in future because we would not like to think this new responsibility will be so onerous that we will be deprived of the benefit of his advice in our deliberations both in the chamber and in committee.

Hon. A. J. Brooks: Honourable senators, we are all very pleased that the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) has called attention to this appointment. While Senator McCutcheon himself may not be in line for congratulations, I feel that the Prime Minister is, in having chosen one with the senator's capabilities to undertake a job of this kind, and the Senate is to be congratulated on having in its ranks one who is so capable. I am sure he will do a good job.

FARM CREDIT ACT

BILL TO AMEND—THIRD READING

Hon. Walter M. Aseltine moved the third reading of Bill C-71, to amend the Farm Credit Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

THE EVANGELICAL LUTHERAN SYNOD OF WESTERN CANADA—THIRD READING

Hon. John M. Macdonald moved the third reading of Bill S-9, respecting The Evangelical Lutheran Synod of Western Canada.

Motion agreed to and bill read third time and passed.

THE UKRAINIAN CANADIAN FOUNDATION OF TARAS SHEVCHENKO—THIRD READING

Hon. John M. Macdonald moved the third reading of Bill S-10, to incorporate The Ukrainian Canadian Foundation of Taras Shevchenko.

Motion agreed to and bill read third time and passed.

BAPTIST CONVENTION OF ONTARIO AND QUEBEC—THIRD READING

Hon. Harry A. Willis moved the third reading of Bill S-13, to incorporate the Baptist Convention of Ontario and Quebec.

Motion agreed to and bill read third time and passed.

THE PHARMACY EXAMINING BOARD OF CANADA—ORDER FOR SECOND READING STANDS

On the Order:

Second reading of Bill S-15, intituled: "An act to incorporate The Pharmacy Examining Board of Canada".

Hon. John J. Kinley: Honourable senators, I desire to stand the second reading of this bill until Tuesday, December 11 next.

Some Hon. Senators: Agreed.

THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA—SECOND READING

Hon. Lionel Choquette moved the second reading of Bill S-16, respecting The Imperial Life Assurance Company of Canada.

He said: Honourable senators, this is a very simple bill, and is similar to some introduced during the last session and also in the present session.

The Imperial Life Assurance Company of Canada was incorporated by special act of the Parliament of Canada in 1896, and the name mentioned in the French version of the said act is, *Compagnie Canadienne d'assurance sur la vie l'Impériale.*

My instructions are that this name was not chosen by the officers of the company when it was incorporated, but was decided upon, it seems, by the translator of the bill. It was never used, because it is too long and cumbersome and sounds more like a slogan than a commercial name. The English name of the company has always been used on the company's French policies, forms and notices.

At the present time the company does business in all provinces of Canada, in Great Britain, Jamaica, the Bahama Islands and Trinidad. Roughly 13 per cent of its ordinary outstanding business and more than 19 per cent of its investments are in the province of Quebec.

The directors and officers of the company now feel that their operations in Quebec are such that they require a more appropriate official French name. It is desired that the company be known in French under the following designation: *L'Impériale, compagnie d'Assurance-Vie.* The proposed new French name contains only three words, whereas the former one, which has never been used, contains seven.

Hon. Mr. Croll: Section 1 of this bill appears to be somewhat different from that contained in other bills of a similar nature. For instance, in the case of the Merit Insurance Company it is somewhat different. Perhaps I am mistaken.

Hon. Mr. Choquette: This bill is a little different from the Merit Insurance Company bill because here there is a French name already in existence, even though it has not been used.

Hon. Mr. Lambert: Do the controlling shares of this company remain in Canada?

Hon. Mr. Choquette: In that regard I doubt whether the name would make any difference.

Hon. Mr. Macdonald (Brantford): Are they in Canada now?

Hon. Mr. Choquette: I have already said that roughly 13 per cent of its ordinary outstanding business and more than 19 per cent of its investments are in the province of Quebec. We know what type of business is carried on by the company in other provinces. I do not have the information requested by the honourable senator from Ottawa (Hon. Mr. Lambert) but I shall be moving that the bill be referred to committee.

Hon. Mr. Lambert: I ask that question because so many of these companies have been shifting the major part of their ownership to American interests, and I want to make sure this company is not in that category.

Hon. Mr. Choquette: I did not anticipate your question, and I cannot answer it now.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 448 to 460, which were presented on Wednesday, November 28.

On motion of Hon. David A. Croll, for Hon. Arthur W. Roebuck, Chairman of the committee, reports adopted.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

The Senate resumed from Wednesday, November 21, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Haig, seconded by Hon. Mr. Fournier (Madawaska-Restigouche), for an address in reply thereto.

Hon. Mark R. Drouin: Honourable senators, this being my maiden speech in this house I have so many things to say about so many people and so many matters to bring up that I hope my speech will not be too long. As I shall not have time to revise my speech before leaving for Montreal, with your leave, honourable senators, I shall refer to my text.

It is, I must admit, with some trepidation and emotion that I rise to address you from the floor of this house for the first time since October 1957 when I was not only summoned to the Senate but also appointed as your Speaker, just ten days before the opening of Parliament by Her Majesty the Queen on October 14 of that year. It was a great honour that was bestowed upon me by the Prime Minister, and I owe him a debt of gratitude for those happy years, a debt that I shall never be able to repay. It was a challenge for me, because at the time I had no parliamentary experience whatsoever; I had never even visited this august chamber. Her Majesty's visit was a momentous one, not only for honourable senators and members of the Commons, but for Canadians in general.

Needless to say, I was tremendously impressed and a bit scared. For ten days and almost ten nights I worked very hard under the able tutorship of our learned Clerk of the Senate, Mr. John MacNeill. As usual, he spared neither his time nor efforts, and did his best to inspire in me self confidence. I hope I did not disappoint him or my honourable colleagues at that time. I take this occasion to thank him publicly for helping me so well during those very trying days. I shall never forget what he did for me then and has done since.

I also wish to express my sincere appreciation for the precise and friendly coaching provided me by my good friend the Gentleman Usher of the Black Rod, Major Lamoureux. My thanks must also go to his assistant, my good friend Bonner Larose, and all the personnel and staff of the Senate, so competent and so devoted, who made my task much easier.

Honourable senators, during the last two Parliaments when I presided over your debates, I endeavoured to fulfil my duties with impartiality, dignity, and possibly with a certain amount of good humour. I was very proud to be your presiding officer, and both my wife and I did our best to represent you as well as you deserved at the numerous and varied official functions which we were invited to attend in the name of the Senate.

I am pleased to have this opportunity to thank you all from the bottom of my heart for the encouragement, moral support, and friendly advice you so graciously accorded to us during those years.

My tenure as Speaker of this house will always be one of my fondest and most indelible memories. I shall never forget the confidence the Prime Minister placed in me and I sincerely trust that I have been, at least partially, deserving of it.

Mr. Speaker, to you I reiterate my most sincere felicitations on your recent appointment to the exalted position you now occupy, and I hope you will be as contented and happy as I was in that position for at least another four years—and that is not wishful thinking. No better man, Mr. Speaker, could have been chosen to preside over our debates, and I concur wholeheartedly in all the nice things said about you in this chamber by honourable senators on both sides of this house, in the press, and by your numerous friends.

We were summoned to the Senate almost at the same time. As a matter of fact I shall always remember that beautiful September morning in 1957 when we were both called to the Prime Minister's office in the East Block and were there informed of our respective appointments. After you had left, the Prime Minister told me that he not only wanted to appoint me to the Senate, but that he had the idea in mind of appointing me as Speaker. After giving me some advice as to the functions I would have to fulfil, then in a lighter vein he said, "There is a funny hat over in the Senate that you will have

to wear, and we have no time to get a new one. You go over to John MacNeill's office, and if the hat fits you the job is yours." I took to my feet immediately, of course, and rushed over to Mr. MacNeill's office and tried on the hat and, lo and behold, it fitted like a glove. And that is how I got the job.

I told that story quite a few times, but it does not end there. When you, Mr. Speaker, were appointed to office there was no time to procure a new hat for you, and, believe it or not, the same hat that I had been wearing fitted you like a glove too. I do not wish to discourage honourable senators on the other side of the house, but I know of at least two other senators on this side whom the hat also fits very well. So it would appear that your prospects are not very bright.

An Hon. Senator: Some more wishful thinking?

Hon. Mr. Drouin: To our new leader (Hon. Mr. Brooks), I express my hearty congratulations on his appointment. His natural affability and his vast experience as a seasoned parliamentarian are a guarantee of his success in the high functions to which he has acceded. He is a man whom everyone respects and his friends are many. The affairs of the Government could not have been entrusted to a better man. He will, I am sure, follow in the footsteps of the honourable senator from Rosetown (Hon. Mr. Aseltine) and in those of all our past leaders from both sides of the house. I offer him my fullest co-operation in the expedition of our legislative work.

However, the pleasure of greeting our new leader does not in any way tarnish the fond memories we entertain of the leadership given to us for the last five years by the late Senator Haig and the honourable senator from Rosetown (Hon. Mr. Aseltine).

The first honourable senator who warmly welcomed me in the Senate the day of my arrival was the late Senator Haig. His greeting was gracious indeed and almost fatherly. He proffered very sound advice which I religiously followed in the execution of my duties. It was always a pleasure for me, on the numerous occasions he rose in the house, to hear him deliver eloquent speeches on the most varied subjects. He often called on me in my Chambers to have a chat, and he invariably started the conversation with the words: "Well, son, how are things going with you?" His visits were always for me moments of relaxation and enjoyment. I was sorry when he had to resign due to bad health, and soon after that he passed away. We all miss him very much. He was a great man and so human. To his son, our new colleague, and to his family, I express my deepest sympathy.

Honourable senators, I would not like to miss this occasion to tell the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) how pleased we all were to learn of his reappointment to his high post. As we say in French: "C'est un parfait gentilhomme". He has earned the respect and admiration of all his colleagues, to whatever party they belong. I am sure that during the current session he will continue to lead the Opposition forces of the Senate with his usual sagacity and understanding.

May I reiterate to him, on my behalf and that of my wife, our most sincere and heartfelt condolences on the sudden and unexpected passing of his most charming and beloved wife. Not long ago, just a few weeks before her death, we attended together an official dinner at the Country Club. It was a happy occasion. We drove out together, and she looked so well and was in such high spirits, the news of her death soon after was a great shock to us both. You have all my sympathy, Honourable Sir, and we know that it will take much courage to carry on without her.

May I add my congratulations to those already expressed by previous speakers to the mover (Hon. Mr. Haig) and seconder (Hon. Mr. Fournier, Madawaska-Restigouche) of the motion for an address in reply to the speech from the throne. They both acquitted themselves with rare distinction in this onerous task. Their speeches were both eloquent and comprehensive. We did not expect less from these men. I had heard many nice things about the new senator from River Heights (Hon. Mr. Haig), both as a lawyer and as a Canadian. His speech confirmed the reputation that had preceded him here.

The new senator from Madawaska-Restigouche (Hon. Mr. Fournier), I have known for some years, and I was most pleased to hear of his appointment to the Senate. When I first made his acquaintance, he was Commissioner of Hydraulic Resources in the New Brunswick Government with the rank of Minister. Our business relations were most pleasant and we soon became very good friends. He is a parliamentarian of great experience and his contribution to the debates will I am sure, be much appreciated. I am pleased to join in welcoming both these honourable gentlemen to the Senate.

I also join in congratulating the other recently appointed senators, including my brilliant deskmate (Hon. Mr. McCutcheon) and my good friend from Rougemont (Hon. Mr. Flynn), whose political career I was to some extent instrumental in launching. We are proud that he has succeeded so well and has risen so fast. He will go much further, I am

sure, and I wish him well. I also congratulate two old friends on their respective appointments, the honourable senator from Carleton (Hon. Mr. O'Leary) and the honourable senator from Pickering (Hon. Mr. Grosart), whom I have known for many years and whom I was always proud to count among my best friends. The words of praise that were so eloquently expressed about all these honourable gentlemen were well deserved, and I am pleased indeed to concur in them.

(Translation):

I wish to take this opportunity of expressing once more my most heartfelt congratulations to the honourable senator from Ottawa (Hon. Mr. Choquette) on his recent appointment as Deputy Government Leader in this house. I am sure he will be of valuable assistance to our leader. His eloquence, his intelligence and goodnaturedness will be important assets to our proceedings. I wish him all the success he deserves in his new capacity.

However, my satisfaction over his appointment to this important office is unfortunately marred by the sorrow I felt at the untimely passing of a very dear friend, Senator Brunt, his predecessor in that office. Senator Brunt and myself were born on the same day of the same year. About sixteen months ago we celebrated our birthday together in Jerusalem, which we visited as members of a delegation to Israel. On that evening we exchanged presents and, naturally, there were speeches. It was a happy event and no one then could have foreseen his sudden passing. He will be missed in the Senate; we have lost a great parliamentarian who unstintingly devoted time and effort to insure the progress of our sessional business and of everything related in some way to the Senate. He was immensely active and we had been used to rely on him for difficult and delicate missions which he always successfully accomplished. Nothing could stand in his way. Nothing could resist his enthusiastic drive. He was our best public relations man. To his wife Helen, to his two children, and to the Prime Minister who has always been his closest friend, I wish again to offer my most sincere condolences and those of my wife.

(Text):

I should like now, honourable senators, to make certain comments on the general condition of the Canadian economy. To better situate matters which I particularly wish to discuss, may I be permitted to quote a reference made by the Honourable George Hees, Minister of Trade and Commerce, which I believe to be very significant and indicative of the action being taken by the Government to meet the challenges arising from changing conditions in the world today. I refer to a statement made by the minister in a speech delivered in Ottawa on September 7 last, when he spoke as follows:

> The advent of the Common Market, and the trend towards freer world trade, as spelled out in the Kennedy Trade Expansion Bill, indicates that the pattern of world trade is rapidly changing, and that Canada must adapt herself to these changing conditions. If we do not, our economy will slow down.
>
> We have a responsibility to assure that the adjustment into whatever trade pattern may evolve is accomplished with a minimum of dislocation. With this in view, Canada has adopted a flexible trade program.
>
> We have, for several years now, been closely studying markets around the world where our collective knowledge tells us Canadian producers can compete. We have been developing trade in those areas through the combined efforts of government and our more aggressive industrialists. What we need is a bigger team.

That statement, honourable senators, considered in conjunction with the action that was taken by the Department of Trade and Commerce, both on its own and in co-operation with management, labour and the provincial governments, indicates the degree to which the Government of this country is alerted to the challenge that lies ahead in the field of trade, both domestic and export.

I am sure that members of this house recognize that in this changing world of trade the economy of Canada faces a number of basic structural problems which are unique among the highly developed nations of the western world. Our wealthy endowment of natural resources and relatively small population has, over the years, resulted in a pattern of industrial development which involves the production on a very large scale of basic products and raw materials for which we must find sales in the export markets. At the same time we have experienced a limited amount of secondary manufacturing within this framework, but we have in the past few years found our products caught in the squeeze between foreign tariffs in overseas markets and high production costs related directly to our limited domestic market. Nevertheless, we have in the main developed a capacity to export which is rivalled by few countries in the world.

Despite our tremendous capacity to export for a nation of our population, our proximity to the United States and the availability of products from that country, to say nothing

of the influence of advertising and other promotional techniques to which we are subjected, has resulted in our purchasing from abroad goods and services that have exceeded by a wide margin the earnings of our own export capacity. This has led at various times in our economic history to our being faced by a heavy imbalance which we are called upon to meet of our own resources.

I will not attempt to analyze the reasons for the change in our capital account position in the first half of this year. Many explanations have been advanced for this phenomenon, each with its own particular emphasis. What is clear is that capital movements in or out of a country can change quickly, unpredictably, and for a wide variety of reasons.

However, it is important to keep clearly in mind the exact nature of these recent developments. For a number of years large annual deficits on current account have been covered by an approximately equivalent inflow of foreign capital funds. In the early part of 1962 this inward movement of capital funds slowed down, which resulted in a sharp drain on our foreign exchange reserves. Quick action was taken to contain this downward pressure on the reserve position, and a substantial build-up in reserves has subsequently taken place.

This type of financial problem is, of course, by no means new. In recent years many countries have had to adopt remedial measures to deal with balance of payments problems, including such major industrial nations as Britain and France. Nor are these difficulties new to Canada itself. In 1947 balance of payments difficulties were encountered, and the Government of the day met the problem by introducing an exchange conservation program that included import restrictions, restrictions on pleasure travel in the United States, and arrangements with the Export-Import Bank in Washington for credit to be made available in the amount of $300 million (U.S.).

There is a tendency in some quarters to conclude from the recent developments in Canada's balance of payments that the economy is going down hill. The actual facts of the situation point in quite the opposite direction. When the identical type of problem presented itself in this country in 1947 the then Prime Minister pointed out that there was no relationship whatsoever between prosperity and such a situation arising suddenly. The important thing to recognize, then, is that a sudden shift in capital account, such as occurred here earlier this year, is not indicative of underlying deterioration in the economy generally.

As a matter of fact, there has been a sharp acceleration in the rate of growth in the Canadian economy, the strength of which is illustrated by the substantial year after year gains now evident in virtually all comprehensive measures of general activity.

Looking at figures available for 1962 to date, as compared with the same period of 1961, we find that the gross national product is up by 8.6 per cent. Only a small part of this increase is the result of higher prices. The total national output, in real terms, is up by 7.7 per cent. Where higher prices are taken into account the increase in the gross national product is 8.6 per cent, but without taking into account higher prices the increase is 7.7 per cent, which is quite a rise. Personal income is up by 9 per cent, and labour income by 7 per cent. The index of industrial production, which measures real output in manufacturing, mining and utilities, has increased by 9 per cent. Manufacturing production alone has also risen by 9 per cent, while durable goods production is up by 12 per cent. Merchandise exports are up 8 per cent, construction contract awards 7 per cent, and retail sales 5 per cent. Trends in Canada's major industries give a similar picture.

Honourable senators, I give all these figures to make sure that everyone understands, and is in agreement with, the Right Honourable Mackenzie King who in 1947 said that there is really no relationship between the outflow of capital funds and imbalance in our export trade.

Especially encouraging has been the improvement in the employment situation. In the first ten months of the current year 183,000 more persons were employed than in the same period last year. The rise in employment has exceeded by a wide margin the growth in the labour force. By October there were 35,000 fewer persons unemployed than in the same month last year, and 85,000 fewer than two years ago. These figures show, in undisputable terms, the strength of the advance underway in the economy of this country today.

We all recognize, in the present changing pattern of world trade, that competition is going to be more extreme than we have experienced in many years, both in export and domestic markets. I doubt, however, if Canadians fully recognize, or have stopped to enumerate, the many and varied fields in which government, both the federal, and the provincial in co-operation with the federal, provide services and assistance to business.

In the federal sphere, eleven departments, with ten government agencies, offer services in more than forty separate fields, ranging from financial assistance and management

training for small enterprises to advice on government procurement and industrial development.

The major part of the activities of the Department of Trade and Commerce is directed towards supporting and fostering the growth of Canadian business. In the field of external trade promotion, the federal Government, through the department, maintains a large group of highly-trained trade commissioners in all major world markets, who investigate and report on sales prospects abroad, assist in securing agencies and buying connections for Canadian exporters, and personally assist Canadian business visitors to their territories.

Two years ago the Government realized that the full extent of services available to business was not widely enough recognized or utilized by business, and in order to meet this situation the department, in co-operation with management, labour and provincial governments, embarked upon the greatest trade and industrial development program in the history of this nation.

Two years ago there was held at Ottawa the first National Export Trade Promotion Conference, to which Canadian businessmen were invited to discuss with trade commissioners from around the world the possibility of their entering export markets. Over 10,000 interviews were held at that time with Canadian businessmen from coast to coast.

This was followed by a series of conferences in each of the ten provinces of Canada, all of which were held in co-operation with provincial governments. As a result of the knowledge acquired from these discussions with representatives of business firms in Canada, the federal Government organized a program of "Samples Shows," to which buyers were flown to Canada from the United States. Approximately 250 carefully selected buyers were flown to these "Samples Shows" in the cities of Toronto and Montreal, and the results of this promotional effort to encourage Canadian sales in the United States exceeded expectations.

As a result of the experience gained from these various projects for the expansion of export markets and industrial development at home, the minister has recently announced an even bigger program, which has been aptly called "Operation World Markets". Under this program, upon which the department has now spent close to one year's preparation, it is proposed, commencing on March 23 of next year, to fly as many as 250 buyers of heavy equipment from countries around the world to Canada, as guests of the Canadian Government. These buyers will be accompanied by our Canadian trade commissioners in their respective countries. Arrangements have been completed for them to visit, on arrival, various industries across this country and see at first hand the quality of our products and our capacity to produce and deliver.

On the completion of this project, which will run for one week, these buyers will be returned to their respective countries and a further 750 purchasing agents and officials of foreign countries are to be flown to Toronto, again accompanied by our trade commissioners from around the world. Arrangements have been made to hold a Canadian National Samples Show at Toronto, at which it is expected over 600 Canadian producers will exhibit their wares. On the completion of this operation, these buyers will be flown back to their respective countries with a better knowledge of the productive capacity of this country, and, more important, a first-hand knowledge of the ability of Canadians to produce goods that are competitive in design, quality and price with those produced by other countries.

Hon. Mr. Reid: Are they to come as guests of Canada?

Hon. Mr. Drouin: They are to come as guests of Canada.

Hon. Mr. Macdonald (Brantford): All expenses paid?

Hon. Mr. Drouin: I am sure their travelling expenses and hotel bills within Canada will be paid by the Canadian Government, but I am not sure that they will be flown in at our expense. However, I can find that out. I am under the impression that all their expenses will be paid.

The third stage in the "Operation World Markets" project is to bring to Canada the remainder of our trade commissioners across the world for a one-week departmental conference with departmental officials at Ottawa. The purpose of this is to provide a first-hand opportunity for our trade commissioners to familiarize themselves with the expanding Canadian productive capacity, and for our commodity officers at home to exchange views and ideas with our trade commissioners from abroad.

On the completion of that one-week conference, the Government is arranging to hold another National Export Trade Promotion Conference in Ottawa, to which Canadian businessmen will be invited to come and discuss with Canadian trade commissioners from around the world the possibility of expanding Canadian export markets in the various territories which they represent. Present plans call for holding from 20,000 to 25,000 interviews during the ensuing three weeks, or month if necessary.

In my opinion, no country in the world today offers such an aggressive program to assist businessmen. I am confident that with the wholehearded co-operation of business and labour, this program can be successful to a degree that will not only bridge our economy over the transitional period now being experienced by practically all countries in the free world, but will provide us with the instrument under which we may assure ourselves of a high level of economic activity and a high standard of living, both of which are very essential to our well being as a democratic country in a free enterprise economy.

(Translation):

Honourable senators, I do not intend to deal in detail with the important legislation foreseen in the Speech from the Throne. In my opinion, it would be premature to try to make a brief analysis of the excellent legislation set forth in that historic document.

When it is introduced in the Senate I shall try to make as valuable a contribution as I can to the debate.

Consequently, at this time I should like to limit myself to a few comments of a general nature with respect to the finest of the Canadian provinces.

Quebec is not like the other provinces, thank God! Three cheers for the difference! Our language and our religion are different. Our way of life is quite different since it is truly French. Yet, we are Canadians and we love our country just as much as our fellow citizens. We have shown just as much courage and eagerness in her defence. The only thing we ask is that our autonomy be respected in accordance with the Confederation pact.

We neither want to become independent nor to separate from the rest of Canada. We wish to remain an integral part of Confederation. However, it is useful to recall that without the province of Quebec, Confederation would never have been possible. Without our province, Canada would have been divided, both economically and geographically, in two or three areas, according to the way you look at it. Without Quebec, the rest of the country would inevitably become a satellite of the United States. I proclaim highly, therefore, that the Right Honourable Mr. Diefenbaker is entitled to our gratitude for all he has undertaken in the last five years in order to comply with our most legitimate claims. During this short period of time, he has accomplished more for the province of Quebec, for the French cause throughout the country, than any other prime minister since Confederation. I do not wish to make what is commonly called a political speech, for this is neither the time nor the place. Nevertheless, even if Mr. Diefenbaker and I did not share the same party affiliation, I would still take pleasure in telling him how much he is entitled to the appreciation, not only of the people from the province of Quebec, but also of all our compatriots from the other provinces. His contribution to national unity has been tremendous, and I am convinced that he will go down in history as one of the best prime ministers Canada ever had.

May I point out some of his achievements in that field? First and foremost, he recognized in a positive way the bilingual characteristics of our country. A simultaneous translation system, which had been requested for so many years, and which two prime ministers from our own province had been unable to give us, was set up in both houses of Parliament.

Simultaneous translation of debates is of paramount importance in Parliament. The atmosphere in Ottawa and, indeed, throughout the nation has completely changed. Our Quebec friends feel much more at ease in the capital city, and all the more since many English-speaking members, following the example set by the Prime Minister and several members of his cabinet, are learning French and speak it in a very commendable way. We congratulate them, as well as the Leader of the Opposition in this house and the honourable senator from Inkerman (Hon. Mr. Hugessen) who are now both able to speak our language, even with a certain elegance.

The Right Honourable Mr. Diefenbaker also gave us bilingual federal Government's cheques. Moreover, all official documents will be printed simultaneously in both languages from now on.

In addition, the Government is giving us back our taxation rights, of which we were deprived since 1942 by a mere letter from a Liberal provincial government. That had been demanded for a number of years. The Diefenbaker Government is giving us back our taxation rights. And all that has been accomplished in five years!

Some may say that it is too little and too late. But I shall ask you to whom that reproach should be directed: to Mr. John Diefenbaker or to the other prime ministers who preceded him?

I said it earlier and I say it again that if the separatist movement is now on the wane in the province of Quebec, it is due in great part to the present Government which turned a sympathetic ear to our just claims.

The Speech from the Throne also provides for the passage of joint resolutions of both houses to obtain from the British government the repatriation of our constitution.

Since the British government is sure to accede to the request contained in those resolutions, this will remove the last traces of our old colonial ties with Great Britain to which, nevertheless, we shall always remain devoted in heart and in spirit. We shall then become in fact and by right equal partners in the large Commonwealth family.

The Government informs us also in the Speech from the Throne that a conference of the ten provinces will be called with a view to choosing a distinctive national flag. I welcome this initiative which will enable us, I hope, to hoist throughout the country and at the world's fair in Montreal, our very own flag during the centennial celebrations in 1967. What a happy day, honourable senators, when we can all sing together our national anthem "O Canada" under our flag floating gently in the breeze of our beautiful country.

(Text):

The Hon. the Speaker: Honourable senators, before I put the motion, I wish to say a word.

During the course of this debate honourable senators who took part made many kind references to myself on my appointment as Speaker of the Senate. I would have to be made of ice not to feel an inward glow from the warmth and sincerity of your good wishes and offers of assistance, for, as Mr. Speaker, I can only preserve and maintain the dignity of this honourable chamber with your co-operation. So I say a simple but most sincere "thank you" to each honourable senator.

(Translation):

To my French-speaking colleagues, my sincere thanks for their courtesy. Thank you very much, honourable senators, for your kind words of encouragement in my efforts to speak French.

(Text):

Motion agreed to and the address in reply to the Speech from the Throne adopted.

The Hon. the 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 Privy Council.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

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 the Governor General was pleased to give the royal assent to the following bills:

An Act respecting Canadian Pacific Railway Company.

An Act respecting The Eastern Trust Company.

An Act respecting The North American General Insurance Company.

An Act to amend the Income Tax Act.

An Act to amend the Estate Tax Act.

An Act to amend the Farm Credit Act.

An Act to amend the Excise Tax Act.

An Act to amend An Act to amend the Combines Investigation Act and the Criminal Code.

The Honourable Marcel Lambert, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

> May it please Your Honour:
>
> The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.
>
> In the name of the Commons, I present to Your Honour the following bill:
>
> An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.
>
> To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, December 4, at 8 p.m.

THE SENATE

Tuesday, December 4, 1962

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

Prayers.

NEW SENATOR

The Hon. the Speaker informed the Senate that the Clerk had received a certificate from the Secretary of State of Canada showing that

John Alexander Robertson, Esquire,

had been summoned to the Senate.

NEW SENATOR INTRODUCED

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

The following honourable senator was introduced; presented Her Majesty's writ of summons, which was read by the Clerk Assistant; took and subscribed the oath prescribed by law, which was administered by the Clerk, and was seated:

Hon. John Alexander Robertson, of Kenora, in the province of Ontario, introduced between Hon. Mr. Brooks and Hon. Mr. Grosart.

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

FOOD AND DRUGS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-3, to amend the Food and Drugs Act.

Bill read first time.

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

Hon. A. J. Brooks: Honourable senators, I move, with leave, that this bill be placed on the Orders of the Day for second reading at the next sitting, and that it be the first Order.

Motion agreed to.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-403, for the relief of Thelma Joanette MacDonald.

Bill SD-404, for the relief of Roger Bernard Angel.

Bill SD-405, for the relief of Paul Parizeau.

Bill SD-406, for the relief of Audrey Barbara Sutton.

Bill SD-407, for the relief of Eliane Trottier.

Bill SD-408, for the relief of Aurella Breard.

Bill SD-409, for the relief of Ginette Ingrid Leopold.

Bill SD-410, for the relief of Lily (Lillian) Shapiro.

Bill SD-411, for the relief of Madeleine Kallweit.

Bill SD-412, for the relief of Mary Teresa Hough.

Bill SD-413, for the relief of Edouard Pellerin.

Bill SD-414, for the relief of Suzanne Moreau.

Bill SD-415, for the relief of Soshy Judith Marcovitz.

Bill SD-416, for the relief of Ann Marie Cooke.

Bill SD-417, for the relief of Jacques Ekaireb.

Bill SD-418, for the relief of Theresa Geraldeau.

Bill SD-419, for the relief of Edith Herman.

Bill SD-420, for the relief of Edouard Joseph Armand Baril.

Bill SD-421, for the relief of Violet Gabrielle Gilmour.

Bill SD-422, for the relief of Leo Paul Turcotte.

Bill SD-423, for the relief of Paulette Sauve.

Bill SD-424, for the relief of Eli Kraus.

Bill SD-425, for the relief of John Andre Anderson.

Bill SD-426, for the relief of Helen Beverley Sabo.

Bill SD-427, for the relief of Jeanette Rosenberg.

Bill SD-428, for the relief of Raymonde Vachon.

Bill SD-429, for the relief of Marie Augustine Jeannette Gibbs.

Bill SD-430, for the relief of Helen Doreen Gearey.

Bill SD-431, for the relief of Alphonse Audet.

Bill SD-432, for the relief of George Mantadakis.

Bill SD-433, for the relief of Sylvia Evelyn Lyon.

Bill SD-434, for the relief of Shirley Sarah James.

Bill SD-435, for the relief of Dorothea Margaret Kay.

Bill SD-436, for the relief of Edie (Etta) Cohen.

Bill SD-437, for the relief of Jacqueline Henriette Pujol.

Bills read first time.

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

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

Motion agreed to.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Revised capital budgets of Eldorado Mining and Refining Limited, Northern Transportation Company Limited, and Eldorado Aviation Limited, for the year ending December 31, 1962, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C.1962-1658, dated November 22, 1962, approving same. (English text).

Revised capital budget of the St. Lawrence Seaway Authority for the year ending December 31, 1962, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C.1962-1673, dated November 23, 1962, approving same. (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, November 28, 1962, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C. 1952. (English and French texts).

INTERPARLIAMENTARY UNION

FIFTY-FIRST ANNUAL CONFERENCE AT BRASILIA—DEBATE ADJOURNED

Hon. Gunnar S. Thorvaldson rose pursuant to notice:

That he will call the attention of the Senate to the Fifty-first Annual Conference of the Interparliamentary Union held at Brasilia, Brazil, 24th October to 1st November, 1962, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

He said: Honourable senators, it has now become customary for me, among others who have been members of the Canadian delegation to various meetings of the Interparliamentary Union, to report briefly to the Senate upon the Annual Conference of the Union, which I have had the privilege to attend as one of the representatives of Canada. Canada became a member of the Interparliamentary Union in 1960, and since then I have had the honour of leading the Canadian parliamentary group, first to Tokyo in 1960, then to Brussels in 1961 and now to Brasilia, Brazil in 1962, where was held the Fifty-first Annual Conference of the Union. The other representatives of our country were Senator Dessureault, Senator Beaubien (Provencher), Senator Méthot and Mr. Maurice Coté, M.P. We were accompanied and ably assisted by Mr. Alcide Paquette, First Clerk Assistant of this house.

I have on other occasions referred to the organization and purposes of the Interparliamentary Union. Although this body has been in existence since 1889, our knowledge of it in this Parliament is meagre because of our brief association with it.

However, it is a union of the parliaments of sixty-one countries. It has its headquarters and permanent staff, that is, a secretariat, in Geneva, Switzerland. It elects a president, an executive committee of nine members, including the president, and a council on which every country is represented by two persons. Our representatives on the council are Mr. J. A. Habel, M.P. and myself. The executive committee is the administrative organ of the union and is made up so as to ensure a fair geographical distribution of its members.

The former president of the union was Mr. G. Codacci-Pisanelli, of Italy, and the new president, who was elected at the conference in Brasilia to which I am referring, is Mr. R. Mazzilli, who is the Prime Minister of Brazil and also a very distinguished Latin-American statesman.

The union has an official organ called the "Interparliamentary Bulletin" which is published four times a year, in both English and French. Each year the secretariat prepares an annual report which is a concise, yet most complete and objective review of world-wide political developments as well as a review of political and parliamentary changes that have occurred in various countries of the world during the year.

The union maintains regular official relations with the United Nations Organization and its specialized agencies and with the

Secretary-General of the United Nations. Also the Director-General of the U.N. specialized agencies is regularly represented at the annual conference of the Interparliamentary Union.

I recite these things to indicate that co-operation takes place between the secretariat of the Interparliamentary Union and the secretariat of the United Nations, as well as other international bodies.

Furthermore, there have developed within the union regional groupings of states, one of the more important of which is the Latin-American group which includes the United States. Indeed, at each of the conferences that I have attended the leaders of this group have made representations to our delegation urging our acceptance of an invitation to join their regional union.

If my colleagues on the recent visit to Brasilia agree, I propose to suggest to our parliamentary group when it is reorganized, to carefully study this suggestion. It will perhaps bring us somewhat closer to the Latin countries south of the Rio Grande.

As is well known, Canada is not a member of the Organization of American States, which formerly was known as the Pan-American Union and, consequently, I think it would be a gesture of goodwill, especially to Latin America, to develop this additional contact with these states. However, that is a matter that should be decided by our own parliamentary group.

As is so well known, the democratic-minded people south of the Rio Grande have continually to fight against heavy odds to maintain their parliamentary institutions intact, and any encouragement that Canada can give in that respect may be of some help to those countries.

Honourable senators, let me now say just a word about the broad objectives of the Interparliamentary Union. Originally, apart of course from working towards the end of the rainbow in the elusive subject of universal disarmament, in its early stages the union concerned itself with the promotion of arbitration between states. That is a long time ago. This union of parliaments was founded in 1889, and the subject of arbitration was the first of the problems dealt with by it. Thanks to its activity, it was instrumental in bringing about the foundation of the Permanent Arbitration Court at the first Hague conference around the turn of the century. Then, throughout the years it worked continuously to support official international organizations and studied the question of codification of international law, neutrality, unequal treaties, the limits to state sovereinty and a myriad of other problems involving a respect for law and human freedoms.

Indeed, it appears to me that much of the basic groundwork and theories in regard to international relationships, which became embodied first in the documents of the League of Nations and later in the charter of the United Nations, were developed over the years in the work of the Interparliamentary Union. I would say that at present one of the main objectives of the union is to assist in the development and improvement of the representative system of government.

I might add here, as is well known, the Interparliamentary Union does not exclude the so-called people's democracies of eastern Europe, including the U.S.S.R. All these countries became members of the union in the 1950's. Let us have no doubt on this point, that all the representatives of these countries are wholly convinced that it is they and not we of the west who possess the better type of parliamentary institution. Be that right or wrong, this matter comes up between us from time to time at these gatherings, and with the greatest conviction and vehemence these people plead the cause of their system of representative government against ours and, as I say, maintain that it is they and not we who have the better system of representative government.

This brings me to another point I wish to deal with briefly, although it is a problem which, next to the prevention of war, is of fundamental importance to western democracies; that is, the future of parliamentary democracy itself. Of course, we are all aware of the parliamentary crises which have occurred in recent years in important countries like Pakistan, Turkey, Indonesia, the Argentine and Peru, where parliaments have been dissolved or become meaningless. At the time of their occurrence those events made newspaper headlines for days and weeks. Consequently, it was of interest to me to pick up today's Montreal *Gazette* and read Arthur Blakely's column in which he refers to an interview he had with Mr. Winch, the member of Parliament for Vancouver East, who recently attended a Commonwealth Parliamentary Association Conference in Nigeria. I quote just a couple of remarks which apparently Mr. Winch related to Mr. Blakely. One of them reads:

> Democracy was faring badly in African states which were trying to convert themselves from savagery into modern societies in five years or a decade. In many countries, democratic practices were being trampled underfoot. And in the world at large, the African states were cynically playing off the East against the West and vice versa, to advance towards their own objective.

I quote another remark from the report of the interview:

> There was a noticeable trend towards dictatorship.

This problem is, of course, more noticeable in Africa than in most other parts of the world because of the inexperience of these countries in the workings of democracy. It was very apparent in Asia a few years ago, because after the second world war various democracies were established in Asia, most of which do not now exist.

However, I referred a moment ago to the Secretary General's report on the Interparliamentary Union. This report is issued once a year by the secretariat of the Interparliamentary Union in Geneva, and I deem it, as I am sure anyone who reads it will deem it, to be as authoritative a document as you can find in relation to the parliamentary and political events of the countries of the world during that year. I want to read from page 25 of this report a few paragraphs under the heading "The Crisis of Parliamentary Democracy". This particular report covers the period from October 1961 to November 1962, and was prepared for the most part by Mr. André Blonay, Secretary General of the Interparliamentary Union, which office corresponds roughly to that of Mr. U Thant of the United Nations organization. He writes:

> After a period of time in which parliamentary democracy regained its place in countries which had fallen under dictatorships of various types, it has suffered new setbacks in the Western hemisphere over the past year.
>
> Mention has already been made of the difficult situation in Argentina. In Venezuela, there have been various attempted *coups d'etat,* opposition to the Government stemming both from left and right. In Peru, the Parliament was dissolved following presidential elections whose results were contested by the armed forces.
>
> Indeed, at the moment the number of Latin American Republics where constitutional regimes function normally and without restrictions is very limited. As so often in the past, military power is again wielding influence on the political scene.
>
> In almost all capitals, opposition movements, whether legal or illegal, show increasing activity. There is scarcely a single State where the effects of this crisis have not been felt and where stability can be considered as assured.
>
> This tends to prove that the present crisis is deep-rooted and that it is due to grave maladjustments characterizing the social structure of many Latin American countries.

Next I would like to quote a few more paragraphs from page 127 of this report:

> In the East, the representative system—

That is behind the Iron Curtain or under the communist system.

> —is seen as a method whereby the people, led by the Communist Party, that is to say, the *avant-garde* of the workers, participate in the strengthening and development of the Socialist regime. The primary concern is that of efficiency in the realization of the egalitarian objectives of Marxist-Leninism. An election is not a contest between different political ideas, but is rather a manifestation of unity, and sometimes even of unanimity, by a people no longer divided by class interests. It is undeniable that such regimes have achieved some remarkable results in the economic, social and scientific fields.
>
> Between the two blocs—

That is between the eastern bloc and the western bloc of which we are a member.

> —the "third world" is today seeking the political means and methods for its own development. Certain countries, particularly in Latin America, are trying to reconcile a multi-party political system with economic and social efficiency. Their democratic institutions risk, however, becoming a target both for reactionary forces linked to the privileged classes and for revolutionary tendencies. It was precisely this combination of pressures which, as has been seen, brought about the Argentine parliamentary crisis and has in recent months imperilled the Venezuelan regime, at a time when it was engaged in an unprecedented agrarian reform program.
>
> On the other hand, certain newly independent countries, desirous of obviating the tensions which are intrinsic to Western parliamentarianism, have opted for a single-party system. Cambodia and Chad, which are mentioned later, are good illustrations. In Africa alone, Senegal, Mauritania, Mali, Guinea, Upper Volta, Ivory Coast, Dahomey, Niger, Central African Republic, Congo (Brazzaville), as well as Tunisia, the United Arab Republic and, quite recently, Algeria, have also chosen this method. For the moment, it is difficult to predict which of these various types of institutions will prove to

be the most effective. Nor is it possible to say to what degree the countries in question will find new ways of resolving in their own fashion the eternal dilemma between freedom and authoritarianism.

So, honourable senators, all does not go well for parliamentary institutions throughout the world. As part of this process, we will recall what happened recently in Ghana where Mr. Nkrumah has seen fit to abolish opposition parties. So now I make bold to express the point of view that perhaps even we are smug and self-satisfied with the operation of our own parliamentary institutions.

My own observation indicates that when a parliamentary body becomes only a forum for debate, often seemingly ill-mannered, ill-tempered and overly partisan, where the opposition, whether individuals, groups or parties, deems its function to be merely that of obstructing and frustrating the passage of legislation, and, indeed, the estimates of the expenditures required to carry on the business of the nation, then there are present conditions which, in most of the countries to which I have referred, have induced them to adopt the one-party system. Those are the conditions which would induce such measures to be taken there. Those are also the reasons why parliaments have actually disappeared in so many countries in recent years.

Coming closer to home, even in our own Parliament, when either individuals or groups take it upon themselves to use the very rules that are designed to—

Hon. Mr. Macdonald (Brantford): May I ask the honourable gentleman if he is reporting on what took place in Brazil? I understood he was to give the house a report on what took place in Brazil but now, apparently, he is lecturing us on what should be done in Canada.

Hon. Mr. Thorvaldson: I hope the honourable Leader of the Opposition in this house (Hon. Mr. Macdonald, Brantford) does not take any of these remarks as something being said against his party. I am talking generally about what is happening in western parliaments which have created such situations in literally scores of free countries of the world during the last few years. I am reporting with respect to the work of the Interparliamentary Union, and I began by saying that the very basis of the work of that union is that of advancing the cause of parliamentary democracy throughout the world. As such, I do think I should be privileged to refer to what is happening in the western parliaments. I have not referred directly to the Canadian Parliament, but I intend in the next sentence or two to refer to something that we might, perhaps, call a defect in our own Parliament. If I am permitted to proceed, I am sure the honourable gentleman will not take umbrage at what I have to say.

Hon. Mr. Macdonald (Brantford): The honourable senator gave notice:

> That he will call the attention of the Senate to the Fifty-first Annual Conference of the Interparliamentary Union held at Brasilia, Brazil, 24th October to 1st November, 1962, and in particular to the discussions and proceedings of the Conference—

The honourable gentleman now intends to go on to draw certain conclusions and refer, apparently, to what is taking place in Canada. I submit, Mr. Speaker, that this is not the time or the place to do that. All we expected to hear tonight, and I think all we want to hear, is what took place at the conference.

Hon. Mr. Thorvaldson: I want to say to my honourable friend (Hon. Mr. Macdonald, Brantford) that I have not mentioned Canada in anything I have said. I have referred to what is happening in western parliaments, and if my honourable friend wants to take what I have said as applying to his own party in the other place, he is perfectly at liberty to do so.

Hon. Mr. Macdonald (Brantford): I was not referring to my own party. I was referring to what is taking place in the other house, and the honourable senator has stated that he intends to refer to that. I submit that such a reference is not in order at this time.

Hon. Mr. Thorvaldson: I do submit, honourable senators, that I should have some scope in referring to the basic purposes of the Interparliamentary Union which, I say to you, is the oldest and is one of the most important of the parliamentary bodies of the world. Its work since 1889 has been to assist the cause of parliamentary democracy, and I do think it is basic to that cause to see that parliaments can work and live, and not die.

I have only a sentence or two on the subject, and I hope the honourable Leader of the Opposition will allow me to continue without interruption.

I will now say something that might touch upon this Parliament, if the honourable senator wishes to ascribe my language to this Parliament. I say just this, that coming closer to home—perhaps this is the only reference that might be adopted by any group in this house or in the Canadian Parliament—

Hon. Mr. Macdonald (Brantford): Go ahead and make your political speech.

Hon. Mr. Thorvaldson: This is not a political speech. I am simply stating a fact. I am sure the honourable senator will agree with the next statement I intend to make, as I am sure the honourable Chairman of the Standing Committee on Divorce (Hon. Mr. Roebuck) will agree. I am going to say this without any apology whatsoever.

Hon. Mr. Roebuck: I do not know where divorce comes into this.

Hon. Mr. Macdonald (Brantford): I might say that it is well divorced from the subject under discussion.

Hon. Mr. Thorvaldson: You will see where it comes in. I say that, coming closer to home, even in our own Parliament—and my friend must admit that this is the first time I have referred to our Parliament—when either individuals or groups take it upon themselves to use the very rules that are designed to secure the utmost of freedom in our institutions, when they use those rules that have been developed over the years to obstruct and frustrate legislation which has overwhelming support in Parliament, such actions are of the very essence of irresponsibility and deserve the censure of all who are interested in perpetuating the parliamentary tradition.

Hon. Mr. Macdonald (Brantford): This is a fine lecture to the other house.

Hon. Mr. Thorvaldson: I do not know of anything that has a greater tendency to bring parliamentary institutions into disrepute—

Hon. Mr. Macdonald (Brantford): And a quite improper lecture.

Hon. Mr. Brooks: It is time there was a lecture to a few individuals in the other house.

Hon. Mr. Macdonald (Brantford): Mr. Speaker, we have no right to refer in this chamber to what is taking place in the other house, and I submit the honourable senator is completely out of order.

Hon. Mr. Thorvaldson: Honourable senators, perhaps I might say—

Some Hon. Senators: Order, order.

The Hon. the Speaker: Honourable senators, Inquiry No. 1 clearly sets out the purpose of this debate. As we all know, Canada is a member of the Interparliamentary Union. I have followed very closely what the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) has said, and it seems to me that his comments are quite in line with the nature of a report that would be expected of him, and that he has said nothing in the remarks he has made about our Parliament, or any other parliament, that could cause offence to anyone.

After all, this discussion would appear to embrace a subject of this nature, and reference would be made to other parliaments besides the one in Brasilia.

I am sorry to have to say to the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) that from what I have heard I do not think I would consider what the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) has said as a lecture. Therefore, I do not think I can rule that he is out of order.

Hon. Mr. Macdonald (Brantford): Mr. Speaker, may I be permitted to say that the honourable senator from Winnipeg South has not referred to other parliaments; he has referred to our Parliament—to the other branch of Parliament in this country, and I submit, Mr. Speaker, that a reference of that nature is completely out of order.

The Hon. the Speaker: Honourable senators, the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) was referring to a large number of parliaments which have set up, as I think he called it, one-party systems, and to others.

I would ask the honourable senator to proceed.

Hon. Mr. Thorvaldson: Honourable senators, let me come closer to the official proceedings of the conference. I note that the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) has objected to a slight deviation from its proceedings.

Hon. Mr. Croll: Honourable senators, I understood the honourable the Speaker to say that there was no deviation. Now my honourable friend stands up and says that there was a slight deviation from what he called the ordinary proceedings, as I understood him.

Hon. Mr. Thorvaldson: Only from the conference proceedings. There was no deviation whatsoever from the question of parliamentary institutions, but there was a deviation from the work of this particular conference in regard to the special agenda, which I now come to. I suggest there was no deviation whatsoever from the principles of the Interparliamentary Union which I am speaking about tonight.

Hon. Mr. Croll: I understood the honourable senator to say that there was a deviation from the resolution that appears on the Order Paper.

Hon. Mr. Thorvaldson: Oh no, I did not say that.

Hon. Mr. Croll: Then I am mistaken. Let the honourable senator proceed.

Hon. Mr. Macdonald (Brantford): Well, there was a deviation anyway.

Hon. Mr. Croll: I understood him to say that.

Hon. Mr. Thorvaldson: Honourable senators, I thank you for allowing me to proceed.

This conference met in that most wonderful city, Brasilia. May I express the hope that any of my colleagues who speak on this subject will refer to that city. As usual, the convention opened in the presence of the heads of state of the host country, Brazil namely, the President of Brazil, Senhor Goulart, and the Prime Minister of that country.

Incidentally, and with particular reference to what I have been speaking about during the last ten minutes, I want to remark that two years ago it was arranged that the host country for this convention in October of this year was to be Argentina, which had extended an official invitation to the Interparliamentary Union to meet in Buenos Aires. I have referred to what happened to the Parliament of Argentina. It does not exist at the moment. Consequently, it was deemed to be most incongruous to have a meeting of the Interparliamentary Union in a country in which a parliament did not exist.

As a result of that decision, Brazil, despite the fact that it is presently in the throes of what might be called a parliamentary crisis, very kindly extended an invitation to the Interparliamentry Union to hold this conference in its capital city of Brasilia.

Honourable senators, after the opening ceremonies, the next event was the beginning of a general debate. This is similar to the general debate in the United Nations Assembly each year and, in practice, every country takes part. Generally, each delegation emphasizes the main points of view adopted by that country in its international relations during the year.

As honourable senators will recall, this conference continued throughout under the shadow of the Cuban crisis. This lent a sense of urgency to the proceedings, as well as giving the conference a sense of helplessness and frustration. There we were gathered, an international parliamentary conference, most of us having felt—that is, before the Cuban crisis—that some progress had been achieved in relieving the cold war since the days of the crisis concerning the Berlin wall a year ago. Also, honourable senators will recall the untimely death of Mr. Hammarskjöld in October 1961, which for a time actually threatened to destroy, or at least seriously maim, the United Nations organization. As I have said, this conference began in the very shadow of nuclear war.

The agenda items of this conference were:

> 1. The role of international trade in promoting balanced economic and social progress in developing countries.

During this debate there was considerable reference to the European Economic Community. As honourable senators are aware, certain African countries are associated with the European Economic Community, and consequently there was quite a body of criticism by Latin American countries which felt that there was some possibility of their being discriminated against in the European Common Market.

The second item of the agenda was:

> 2. Draft convention on measures to be taken in the international field against those guilty, in the exercise of public office, of fraudulent enrichment prejudicial to the public interest.

This is a problem which, of course, does not concern countries in the western democracies but which is of tremendous concern to the newly-developing democracies. We all have heard of the numbered bank accounts in countries like Switzerland. We have read about the things which have been done by dictators like Trujillo and others, in sending tremendous amounts of wealth out of their countries into other countries. The governments of the countries where those people live find no method, under present international law, of following those funds, in the same way as we do through our domestic law and our treaties with other countries. Consequently, this is a problem of the utmost importance, and the International Parliamentary Union is only this year beginning to try to find a solution to it.

The third item was:

> 3. Methods and prerequisites for general disarmament.

This subject matter, which is the most important one before us in the world today, was discussed under three headings, namely:

> (a) Measures for the lessening of international tensions;
>
> (b) Constitution of an international force to meet immediate needs;
>
> (c) General acceptance of the compulsory jurisdiction of the International Court of Justice in the settlement of disputes between states.

I am sure all honourable senators will recognize these as being extraordinarily important problems facing the countries of the world today.

The problem of measures for the lessening of international tensions is a very obvious one which is continuously and persistently before us.

Then there is the question of the constitution of an international force to meet our needs as contemplated by the original United Nations Charter. As everyone here knows, this is one of the objects of the United Nations which has not been possible of achievement up to the present time. It is true that Canada and other countries have supplied police forces to various countries, such as we have in the Middle East today, and such as are present in the Congo. However, that is entirely outside of the real objective of the United Nations Charter, which contemplated the development of a world-wide police force under the United Nations. Consequently, that is one of the problems which was under discussion before the Interparliamentary Union.

Then there was the problem of the general acceptance of the compulsory jurisdiction of the International Court of Justice in the settlement of disputes between states. I think most of those who have followed that subject are aware of the present position. Canada and many other countries have become members of the International Court of Justice, and we have accepted its compulsory jurisdiction. On the other hand, many countries, including the United States of America and the U.S.S.R. have refused, up to the present, to accept the compulsory jurisdiction of the court. I think it is obvious to anyone that until these two great giants among us do accept the compulsory jurisdiction of the court, that that court will not be of any real value to the world as a whole.

Those were the subjects under discussion in the Interparliamentary Union, and I may say that all members of the Canadian delegation took part in the debates. In regard to discussion in the Interparliamentary Union, the discussions there, like their counterpart in the United Nations, are continuously afflicted by the ideological differences between East and West. Consequently, voting on many resolutions becomes a contest between the communist countries on the one hand, and the western democracies on the other. In this particular conference, however, I think it may be said, and I think my fellow delegates will agree with me, that the communist delegates became isolated. I think perhaps the presence of the Cuban crisis during the conference was a reason for this condition. When there was a clear conflict on ideological grounds the communist delegates were only able to muster about 25 per cent of the votes cast. Certainly, in previous conferences I have attended they had a considerably larger share of the vote.

May I now say a word or two as to the personnel of the various delegations. I want to say, for instance, that the United States delegation was a particularly strong one. It consisted of seven senators, all from southern states who were not involved in the recent elections there, and seven or eight members of the House of Representatives. The Japanese delegation was the largest, consisting of thirty-six persons. The British delegation is always a strong one, and the representatives are generally eminent members of the House of Lords and the House of Commons.

The next conference of the Interparliamentary Union is to be held in the fall of 1963 at Belgrade, Yugoslavia. The 1964 conference is to be held in Copenhagen. For 1965 our delegation, with the approval of the Government, have extended an invitation to the union to come to Canada in the fall of that year. The invitation has not yet been accepted. It has been considered by the council but it will be further considered, and I expect that it will be accepted at the next meeting of the council which will be held in Lausanne, Switzerland next spring.

There is obviously a great interest in Canada wherever one moves among the delegates. Particularly to the Africans, "Canada" seems to be a magic word. They like to talk about Canada, to learn more about it, and they evince a friendly attitude towards us.

I have no doubt that more than 500 delegates and many of their wives will come to Canada in 1965. I am sure that it will be a distinct pleasure to us to be the host to this gathering, and I am also sure it will be an inspiration to many of them to come to this comparatively new country.

Hon. Arthur L. Beaubien (Provencher): Honourable senators, my speech will be brief. My honourable friend from Winnipeg South (Hon. Mr. Thorvaldson), who was leader of the delegation at Brasilia, has outlined the objects of the Interparliamentary Union and mentioned many of the questions that were discussed at the conference held in the latter part of October. All that is left for me is give my own impressions, because it was the first time I attended an Interparliamentary Union conference.

We arrived in Rio de Janeiro on Sunday morning, and were fortunate in meeting His Excellency the Canadian Ambassador and his charming lady. One of the ambassador's officers took us on a sight-seeing tour of Rio de Janeiro. The next day we met in the ambassador's office and he briefed the delegation on the economic, social and political situation of Brazil.

It was most instructive and helpful to us to learn about the conditions there from our ambassador who, as representative of Canada, is well acquainted with the conditions in that country.

The next day we flew to Brasilia, the new capital of Brazil. It will be a long time before the new capital will be what it is intended to become, for only a certain amount of work has been done toward its development.

The conference was well attended by delegations from forty-six countries. There were delegations from behind the Iron Curtain, the Far East, the Near East, as well as from countries which are more or less undeveloped, and from others which have come into their own in the last few years.

These delegates discussed subjects of concern to the different countries, and described the difficulties which were faced in their own countries, economically, socially and otherwise, all of which was most interesting. As to Canada, we did not have much to complain about because, after all, we are a fortunate country.

The Iron Curtain countries tried to appear as powerful as they could, not only in their speeches but in their actions. According to the information I had, and which I believe was authentic, they held caucuses almost every day to find out what action they should take on any question coming up before the meeting.

Many of the countries which I might call borderline countries are hesitant about doing anything against Iron Curtain countries or the people behind the Iron Curtain. They hesitate to do things they would like to do themselves, for they are afraid of the consequences. However, when President Kennedy in his television speech some time ago announced the blockading of Soviet Union ships bound for Cuba loaded with missiles and aircraft, there was a tremendous change in the attitude of what I call these borderline countries, so much so that the communist bloc was left almost by itself. Many of these countries felt that the blockade was an action which might bring about conditions in the world to prevent any future conflict or invasion by communism in their countries. That was one of my impressions.

When you find anywhere from forty to forty-six countries—my friend says there are sixty-one in the union—assembled together to discuss their problems, the delegates must in the course of doing so intermingle and fraternize with each other. Having attended such a conference my impression was that this fraternization naturally creates an atmosphere which leads to the understanding that, after all, we are fellow human beings, that each of us has his own particular problem, but that surely we ought to be able to get along without continued conflict.

I want to pay tribute to my honourable friend from Winnipeg South (Hon. Mr. Thorvaldson), who was leader of the delegation. There were only five delegates and we worked well together. We met every day and discussed our own affairs, and played our part at the conference in a dignified way, properly representing Canada.

Hon. Senators: Hear, hear.

Hon. Mr. Beaubien (Provencher): I want to say to honourable senators that we should give all the support we can to the Interparliamentary Union, to try to build it up to the point where every nation in the world will belong to it, for I am sure that the union can make a tremendous contribution to future world peace.

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

RULES OF THE SENATE

AMENDMENT ADOPTED

Hon. J. W. de B. Farris moved, pursuant to notice:

> That the Rules of the Senate be amended by striking out Rule 32 and substituting therefor the following:
>
> "32. A senator desiring to speak is to rise in his place uncovered and address himself to the rest of the senators."

He said: Honourable senators, my explanation for moving this resolution will be brief. All it proposes to do is to strike from the existing rules the last few words which now read:

> . . . and is not to refer to any senator by name.

If there is any senator present who has lived up to that rule, I would like him to stand up and admit it. And, Mr. Speaker, if I might presume to give Your Honour some advice, it would be this: It was said, I think by a learned judge, that if you have legislation that is wrong the way to bring about its repeal is to enforce it. I am of the opinion that if His Honour the Speaker would literally and strictly enforce this rule it would not take long to get a unanimous vote to have it repealed. I hope to get it repealed anyway.

First, I ask, why is this rule here? I am sorry to say that I do not know. I have gone over it in my mind in search of possible reasons and I have not been able to come up with any. This is not the practice in the House of Lords, from which we get many forms and precedents. I have here a copy of the *Hansard*

of that House, in which the honourable Lords refer to each other by their titles, which is one name.

I have also in my hand a copy of the *Hansard* of the Australian Parliament, and the Senate there does not have any rule of this kind.

My first suggestion as to why this rule should be repealed is that it does not serve any useful purpose. My second reason is that nobody follows it.

I listened to quite a long debate the other night and I think most senators who spoke referred to their colleagues by name. After all, why do we have names? We have names to designate who we are. And why we should submerge that designation and pick up one that really does not designate us, to me does not make common sense. My designation probably is easier to remember than most, and yet I venture to say there are many senators here who do not know it. I am looking at my honourable friend opposite whom I have known for many years. If I may violate the rules, I am referring to Senator Grattan O'Leary. I have not the least idea what his other designation is. My friend Senator Roebuck and his deskmate Senator Croll each come from some place in Toronto, but the fog I saw there yesterday was not a patch on my fog when I try to identify these gentlemen by their designations.

So, all I am suggesting is—and if honourable senators do not agree, it is of no more importance to me than to anyone else—that this rule has not much sense to it; it does not serve any useful purpose; it is never carried out, and we ought to be rid of it.

Hon. Jean-François Pouliot: Honourable senators, my purpose in rising now is twofold. In the first place, it is to extend to the honourable senator who has just spoken congratulations on his recent birthday. We all rejoice that he looks so well and that he is so alert in mind and body. I wish him many happy birthdays.

In the second place, I wish to congratulate him for starting the weeding of the rules of this house. We need to put an axe in the old stump and get rid of all rules that belong to a past age and which are useless, cumbersome and embarrassing.

One reason given for using another name than that of a senator referred to dates back to the feuds which existed hundreds of years ago between the big barons and the little barons; and the reason why senators are not referred to by their own names is the very same reason why we call the other house "the other place". We do not use the words "House of Commons," which is proper and which could not shock the ears of the ladies. It is good English language, and it is found in the Constitution. In England centuries ago the little barons were jealous of the big barons, and it was decided that they should not call each other by name because they were abusing the privilege. They were adding names of their own to the precise name of the person concerned.

If we look at the appendix to *Hansard* for the first day of this session we see the list of names of senatorial districts. I shall start with the province of Quebec. The first senatorial district in that province is De la Vallière. Now, De la Vallière is a nice name and easy to pronounce, but who was he or she? She was a duchess, the mistress of King Louis XIV, and she ended her days in repenting in a monastery. This is the name of that senatorial district, and if I wished to address this gentleman, who has not attended here for a long time, I would say, "the honourable senator from De la Vallière." Anyone who did not know the beginnings of such a designation would think that he was the illegitimate descendant of a mistress of the great King Louis XIV. I do not say it is a fact, but it could be presumed by a learned person sitting in the gallery who knew the history of France.

The next designation for the province of Quebec is Inkerman. Where is Inkerman?

Hon. Mr. Choquette: Hull.

Hon. Mr. Pouliot: I do not want my honourable friend, who has a wrong turn of mind tonight, to make any insinuations. Inkerman is a place in the Crimea, where in 1854 there was a famous battle in which the Russians, the English and the French were involved. And it is the name of one of the senatorial districts of the province of Quebec.

The third one is Wellington. Well, I make no point about it; it is the name of a great general.

Then, to make things even, the next district mentioned—the senator for which I see right across from me—is De Salaberry, the name of a great Franch-Canadian hero of the war of 1812. That is not too bad. It is the first one that I bow to.

Then comes De Lorimier. De Lorimier was a patriot who was hanged during the troubles of 1837, and naturally it is a nobler ancestry than that of a mistress of Louis XIV. I would prefer to be the descendant of a patriot who was hanged for his convictions and his love of country than to be related to that lady, even a distant relation.

Then we come to The Laurentides. The Laurentides is a designation of a district which must be on the north shore of the St. Lawrence River. It was given to our

late colleague Senator Bouchard from St. Hyacinthe. And thinking of St. Hyacinthe in the Laurentides is an anachronism.

Then there is Kennebec, which is an Indian name—I cast no reflection upon Indian names—and it looks like "Quebec". But I wonder what it means.

Then there is Rigaud, a geographical name. Then Stadacona, being the old Indian name of Quebec City.

Next is Grandville. Grand was the name of a French draftsman, and Gran was a famous English statesman, but when it is written as it appears in this appendix to *Hansard*, it means that the honourable senator from Grandville takes his designation, not from the great British statesman but from the French draftsman, and you have only to look in the dictionary to check it.

Sorel and Lauzon are both geographic locations. De Lanaudière was the name of Madeleine de Vercheres, a courageous woman who fought the Iroquois a long time ago. Alma is the name of a lady and there is a district of that name in the Lake St. John area, but this designation should apply to a lady senator. When we say "the honourable gentleman from Alma", it makes no sense but if we referred to a lady senator from Alma it would have some sense.

Then we come to Gulf. Gulf is a vast area that extends from Grandville to the St. Lawrence river, but giving to such a vast area of land the description of a vast area of water seems to be an anomaly.

Then we come to De la Durantaye, and here I think there should be a prize given to any English-speaking colleague who can pronounce it properly. They seem to have a lot of difficulty with it. They could pronounce Temiscouata much easier.

Next we have Repentigny; I don't know its meaning, but there is a village of that name. Then, of course, La Salle is the name of a famous explorer.

Shawinigan is the name of a town. Mille Iles is, of course, a thousand islands—it is confusing. Victoria is the name of a great queen, and Bedford the name of a duke. And that is that.

It would be much simpler to adopt geographical names or the names of well-known constituencies, and not hyphenated names, for the description of our senatorial districts.

I would like to add that these appellations, these names, date back to the time of the election of the first Legislative Council of Quebec in 1829. At that time the population was not at all what it is now. It was sparse and there was no means of communication. I think it is important to have a change made in those names. It may be said they are difficult to change for two reasons: because they are found in the Constitution and they are the designations or names of the districts of the Legislative Councillors of the province of Quebec.

Some of the rules are just as amusing as the names of the senatorial districts, and it is time for a change there too. I congratulate very warmly the honourable senator who has just spoken for having brought this matter to the attention of the Senate.

Hon. Hartland de M. Molson: Honourable senators, I think there is probably little I can add to what my colleague from Vancouver South (Hon. Mr. Farris) has already said; in fact, as to the matter of rules it might be more appropriate for me to remain silent and listen to our colleagues who are learned in the law and accept their views as our guide in this matter. However I think there are one or two points I might make.

My attention was drawn to this rule a short time ago, and I feel it is one of those rules which we should examine to ascertain whether it serves any useful purpose. In doing this we should adopt the principle that if a rule of the Senate is either not workable, or if it is honoured only in the breach, its retention is no longer desirable. It seems to me in dealing with the rules of this place, or indeed of any other place, the principle that should apply is that a rule which is not consistently followed and adhered to should be changed, since there seems to be no valid reason for retaining it.

Consideration of Rule 32 causes us to look closely at our book of rules—I wonder how frequently we do so.

On looking through the rules I think it becomes obvious that what the honourable senator from De la Durantaye (Hon. Mr. Pouliot) said is true. There are a few more of our rules that bear close examination. If it is true that many of them are out of date, then I suggest to honourable senators that it might be well worthwhile to consider changing some of them.

I do not suggest that we should undertake such an examination at this moment. I am merely seconding the motion of our honourable colleague from Vancouver South (Hon. Mr. Farris). However, I do think that in recent years many of the rules of this house have not been strictly observed, to put it mildly. I have no intention of lecturing my honourable colleagues—I respect them too much to do that—but I do claim that if once in a while we look through our book of rules we will find that at many places we are not adhering strictly to them.

Rule 32 states that a senator desiring to speak shall address himself to the other

senators. We have deviated slightly from that specific rule in that it is not uncommon for honourable senators to address themselves to His Honour the Speaker.

There is little more that I can add. I do, however, express this one further thought, that designating honourable senators by electoral division, or the district in which they live, had more meaning at the time of Confederation than it has today. The only members of this house who have to comply with the regulation of having their property within their electoral constituency are senators from Quebec. For the rest of the members of this house these appellations are not really effective any longer.

For these reasons I have pleasure in seconding the motion of the honourable senator from Vancouver South (Hon. Mr. Farris).

Hon. Mr. Burchill: May I ask the honourable senator from Vancouver South if there is a similar rule to this in the House of Commons, or is this rule peculiar to this chamber?

Hon. Mr. Farris: I understand that there is such a rule in the House of Commons, but perhaps there is more reason for it there because a member is elected to represent a certain constituency.

Hon. Mr. Macdonald (Brantford): Yes. Members of the House of Commons represent constituencies, and we represent provinces.

Hon. John G. Higgins: Honourable senators, I support the motion of the honourable senator from Vancouver South (Hon. Mr. Farris). Ten minutes ago I would not have been able to designate him, but in considering this matter I looked in the list to find his designation.

I support his motion because this rule creates a terrible ordeal for young senators—I do not mean young in years, but young in service in the Senate. When I first came here I had great difficulty in endeavouring to memorize a hundred names and, of course, one cannot be looking at the form every now and then because one does not wish to show his ignorance. Is it possible that a number of the younger senators do not get to their feet because they are afraid they might break the rules? I would advise the youngest senator, who was introduced to the chamber this evening, that, if he wishes to make reference to another honourable senator whose name he does not know, he just nod towards him. I know that if that senator is a long distance away many senators would be embraced by that nod. If that happens, then to make sure he can point to the senator he wishes to designate.

This rule can produce doubtful results. Take, for instance, the trinity of senators who come from that city which is the farthest east and the oldest inhabited city in Canada. One of the three represents one portion of the city; another—myself—represents another portion; but the third comprehends all. One is designated as being from St. John's East, another from St. John's West, and the third from St. John's.

If a senator wishes to refer to one of the senators from St. John's and he does not know whether he is from St. John's East or St. John's West, then in all probability if he refers to him as the senator from St. John's, the real senator from St. John's will get up and deny whatever is being imputed.

It is time, honourable senators, in my opinion, that this practice was dropped. If any senator wants to refer to me, then let him refer to me as Senator Higgins, and to the honourable senator from St. John's West as Senator Pratt, and to the honourable senator from St. John's as Senator Baird. At the moment Senator Pratt and I represent only a portion of the total, and Senator Baird comprehends the whole. I am fully in accord with the motion of the honourable senator from Vancouver South (Hon. Mr. Farris).

Hon. Arthur W. Roebuck: Honourable senators, first may I join in the congratulations that have been extended to my learned and honourable friend who sits to my left, the honourable senator from—where is it he comes from? I refer to Senator Farris.

There is an old saying:

> No consecrated absurdity could have stood its place in this world had the adult not silenced the objections of the child.

That is why I congratulate my honourable friend upon his having achieved a certain maturity of childhood in raising an objection of this kind.

Hon. Mr. Farris: I hope it is not my second childhood.

Hon. Mr. Roebuck: Not at all. The objection emanates from a fresh and youthful look at an old rule.

While this interesting debate has been proceeding I have looked through the various authorities that are always on the Table for our convenience—Bourinot, May, and Beauchesne. Beauchesne is a little nearer to us than the others because it is our own authority in our own Parliament. There is not a word in it about not referring to the name of another member—at least, no such rule is indexed. There is a reference to naming a member by

the Chair for unruly conduct, but that has no application in this debate. So far as I can find, Bourinot has nothing to say on the question.

Sir Erskine May's *Parliamentary Practice* contains practically nothing on the point, except that under "Rules of debate" I find this statement:

> The rules observed by the House regarding order in debate are followed in a standing committee, as also are the rules relating to the preservation of order, decency, and harmony among the members. Accordingly, members of a standing committee address the Chair standing, and may not refer to other members by name, or smoke or read newspapers or distribute propaganda literature.

Hon. Mr. Macdonald (Brantford): That is in the house?

Hon. Mr. Roebuck: That is in the committees of the House of Commons of England. That is the only reference I can find to it in this book.

Hon. Mr. Farris: Is there a reference to the House of Lords?

Hon. Mr. Roebuck: There is nothing in the index about the House of Lords.

I am perfectly sure that in this chamber there is no need for a rule to prevent our members from distributing propaganda literature.

Hon. Mr. Macdonald (Brantford): What about propaganda speeches?

Hon. Mr. Roebuck: It does not say anything about speeches.

Hon. Mr. Molson: May I ask the honourable senator a question? The rule has a reference to May, paragraph 303. Would the honourable senator take that into consideration?

Hon. Mr. Roebuck: To what edition does my friend refer? I have May, 16th edition, here and I see no reference to the point. Bourinot, at page 332, says:

> Senators and Members of the Commons may sit in their places, in their respective houses, with their heads covered, but when they desire to speak they must rise and remove their hats . . . In the Senate the members must address themselves "to the rest of the senators, and not to refer to any other senator by name."

Bourinot is simply speaking about the rules, not the reason for them. He is simply stating it as a fact.

I was saying that, with regard to the rules of debate as stated in Sir Erskine May, 16th edition, there is no necessity for a rule in this chamber to prevent the reading of newspapers, the distribution of propaganda literature or smoking during the debates. Reference to names comes into the same category. In preserving decency, there is no need here of a rule prohibiting senators from calling each other by surnames.

I find in Bourinot, page 390, this statement:

> Recording of names—The names of members who vote in a division always appear in the Votes and Proceedings and journals of both houses—this practice having been followed in all the Canadian assemblies since 1792. The names were not recorded, however, in the legislative council of Canada until 1857, when it was made elective. The practice of enabling the people to know how their representatives vote on public questions was adopted in 1836 in the English House of Commons. The Lords have published their division lists regularly since 1857.

Honourable senators, it seems to me that when you refer to a senator by his designation there are few outside this house, and not all within it, who know the person to whom you refer; but I am perfectly satisfied that if I refer to the senator from Vancouver South as "Senator Farris" it would be recognized throughout all British Columbia and perhaps nearly all the rest of Canada.

I think it is an artificial regulation. It conveys the impression to me of a rather childish restriction.

I have never conformed to the supposed rule that we must refer to the House of Commons as "the other place". I think that is silly. Everybody knows what you mean when you say "the other place" and you might just as well use the English language as applied to it and say the "House of Commons".

I know this was a rule which was adopted many years ago in England, where there was continuous conflict between the two houses. The rule was adopted, if my memory serves me aright, in order to soften the asperity of the reference by members in one house to the other house and what took place there. That is not necessary here.

It is true that we do not refer to the debates of the other house while they are in progress. We carefully avoid making quotations from the current session of the house. But that has nothing to do with the language which one may use in referring to that house.

I am all in favour of abolition of this artificiality, both as a matter of convenience and as a matter of form, and to maintain the respect with which we are held by those who

look to us to be common-sense businesslike people in the carrying on of the business of the house.

Hon. Mr. Choquette: May I ask the sponsor of the motion (Hon. Mr. Farris) a question? I am wondering about the several Macdonalds, the several Taylors, Smiths, Beaubiens—and Robertsons now. When there is more than one senator with the same surname, what should be added when one of them is referred to by name only? Should we refer to "Senator Beaubien, Provencher" for the convenience of the house and of the reporters?

Hon. Mr. Farris: That is a very simple question to answer. If this motion is carried, there will be nothing in the rules to limit how one may designate a man. If there were a couple of Kellys, one may refer to one as "Kelly with the green necktie" and it would not be out of order. There is nothing to suggest that you cannot add to your designation, just as now, if there are two senators of the same name.

Hon. Mr. Higgins: You might have "the old Senator Kelly", or "the young Senator Kelly".

Hon. Mr. Choquette: If I may be permitted, there appears to be a word in Rule 32 which is superfluous. The rule says:

> A senator desiring to speak is to rise in his place uncovered .....

I have not seen many senators wearing hats in this chamber, in the five years I have been here, and I am therefore wondering if the word "uncovered" is not superfluous.

Hon. Mr. Farris: That has always been the rule.

Hon. Mr. Choquette: Yes. I think this motion should be referred to a committee. There are several suggestions that could be made and discussed.

Hon. Mr. Aseltine: Perhaps it should go to the Committee on Standing Orders.

Hon. Mr. Choquette: Yes, to the Committee on Standing Orders.

Hon. Vincent Dupuis: Honourable senators, I am already convinced by the argument of the sponsor of this motion (Hon. Mr. Farris) and the other senators who spoke on it, all of whom seem to be in favour of the amendment. Being so convinced, I want to say that the sponsor, the honourable senator from Vancouver South, is the Honourable Senator Farris, so that everyone will know to whom I refer.

However, I rise to my feet for another reason, namely, to justify the amendment, in that the British North America Act regarding senatorial designation applies only to Quebec. In 1867 there were, Upper Canada, Lower Canada and the Maritimes. At that time there were twenty-four members from Upper Canada, twenty-four from Lower Canada and twenty-four, I believe, were suggested for the Maritimes.

Under the B.N.A. Act it is only in the province of Quebec that a senator is designated for a special district. For instance, I am the senator from Rigaud, which is a district including the western part of the Island of Montreal and Vaudreuil-Soulanges; but in the other provinces a senator is, for instance, a senator of New Brunswick, a senator of Nova Scotia, a senator of Ontario, or of whatever province it may be. He is not a senator of a particular district. In order to abide by Rule 32 which is sought to be amended, when we speak of an honourable member from any province other than Quebec, we should mention the name of the place where he lives, otherwise it would lead to confusion.

Therefore, honourable senators, I intend to vote for the amendment.

Hon. Mr. Pouliot: Honourable senators, may I be permitted to answer a question asked by the senator from Ottawa East (Hon. Mr. Choquette) about the covering of the head?

The reason it is mentioned is that when a senator rises he is supposed to be uncovered, as the thing to be done in good company. At Westminster a member who speaks during a vote must be covered. I read in the paper a few years ago that a member of parliament who wanted to rise to speak during the vote had to borrow the hat of a lady to put on his head in order to follow the usage. Members may remain covered when they do not speak, and so the rule requires that they uncover themselves when they speak. This was on account of the cold draughts at Westminster 300 years ago—there has never been any hot air.

Motion agreed to.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. A. J. Brooks moved, with leave of the Senate, seconded by the honourable senator from Ottawa East (Hon. Mr. Choquette):

> That, for the duration of the present session of Parliament, should an emergency arise during any adjournment of the Senate, which would in the opinion of the Honourable the Speaker warrant that the Senate meet prior to the time

set forth in the Motion for such adjournment, the Honourable the Speaker be authorized to notify honourable senators at their addresses registered with the Clerk of the Senate, to meet at a time earlier than that set out in the motion for such adjournment, and non-receipt by any one or more honourable senators of such call shall not have any effect upon the sufficiency and validity thereof.

He said: Honourable senators, may I by way of explanation say that this is a motion which has been customary to adopt before a long adjournment of the Senate. It provides the Honourable the Speaker with authority to notify honourable senators to meet at a time earlier than set out in the motion for an adjournment should any emergency arise which would, in the opinion of the Honourable the Speaker, warrant the Senate to meet prior to the termination of such adjournment.

Hon. Mr. Macdonald (Brantford): Honourable senators, when notice of this motion was put on the Order Paper it occurred to me that it was being so placed earlier than is customary. I may be wrong in that respect. The reason for putting it on the Order Paper now may be the forthcoming adjournment for the Christmas season. Could the honourable Leader of the Government (Hon. Mr. Brooks) inform the house at this time what is the intention with respect to the Christmas vacation?

Hon. Mr. Brooks: Honourable senators, I do not know whether this motion was placed on the Order Paper earlier than in previous years, but the intention, of course, is the same as it has been in the past. We all expect to have a Christmas recess and we shall be away for some time. This is to provide that, should an emergency arise, we can be brought back earlier than the date to which the Senate has adjourned.

Hon. Mr. Aseltine: This motion is necessary, should we adjourn for a longer period than the House of Commons and be required to be called back to pass a supply bill or some other important legislation. When I was acting in the same capacity as our present leader, I brought in a similar motion quite early, particularly if we were going to have a long adjournment.

Hon. Mr. Macdonald (Brantford): I have no objection to the motion coming on at this time, but I am sure the house would appreciate any information which we could obtain now as to when we shall adjourn for the Christmas season, and how long the adjournment is likely to be.

Hon. Mr. Brooks: I am sorry I did not answer the question in full. As a matter of fact, I have tried to get that information, and I have not received it as yet, but when I do so I shall see that it is conveyed to the house immediately.

Hon. Mr. Macdonald (Brantford): Thank you.

Hon. Mr. Croll: As I understand this motion, it will still be in effect when we return from the Christmas holidays.

Hon. Mr. Brooks: I believe that in the past it extended right through the session. I believe that is correct, but I may be wrong.

Hon. Mr. Macdonald (Brantford): I quite agree with the Leader of the Government (Hon. Mr. Brooks). I can see no objection in that.

Hon. Mr. Croll: As I recall, the purpose of such a motion in the past was to cover an emergency, an unusual proceeding. As Senator Aseltine has indicated, it is for the purpose of calling the Senate together to pass a supply bill or something of that nature. Otherwise, the normal proceedings continue and the normal notices are given. I see no objection to the passage of this motion at the present time. When we return to this chamber in January or February, or whenever we do return, this motion will still be in effect. It might become rather embarrassing if one left on a Thursday and received a wire on Friday morning requiring him to return here without having received any sort of notice beforehand. I do not think that was the intention of such a motion when it was presented to the Senate chamber on previous occasions.

Hon. Mr. Aseltine: May I say one more word, even though I may be out of order? I remember that on several occasions I was able to get a little longer adjournment than ordinarily could be expected, and I could not have done so had such a motion as this not been previously passed by the Senate.

Hon. Mr. Croll: Under those circumstances, I would withdraw what I have said.

Hon. Mr. Brooks: It is to become effective in the case of an emergency.

Motion agreed to.

SONS OF FREEDOM DOUKHOBORS IN CANADA

MOTION TO APPOINT SPECIAL COMMITTEE—ORDER STANDS

On the Order:

Resuming debate on the motion of Honourable Senator Croll, seconded by Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to inquire into and report upon the continuing problems presented by the Sons of Freedom Doukhobors in Canada and any problems related thereto;

That this said Committee be composed of twenty Honourable Senators to be named later;

That the Committee be empowered to send for persons, papers and records; and

That the Committee be instructed to report to the House from time to time its findings, together with such recommendations as it may see fit to make.—(Honourable Senator Pouliot).

Hon. Jean-François Pouliot: Honourable senators, I intend to ask that this order stand, but before doing so I take this opportunity to say only a few words, because I am in a good mood tonight and I do not know what kind of mood I shall be in tomorrow.

I read in the newspapers of Friday, November 23, that the social justice award was to be given to Senator Croll, and during the weekend I saw on television the bestowal of the award upon him in a ceremony before a large gathering. Senator Croll is very active in Parliament, he has done a lot to promote his ideas; whether we share them or not, he is deserving of recognition and I am very glad that the award was given to him.

With regard to social justice, we must take it with a grain of salt because it exists only relatively. Social justice is not perfect but it is an aim, and a very honourable aim, which is a good thing to have in life.

That being said, and having said to Senator Croll only part of the good that I think of him, I ask that the Order stand.

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, December 5, 1962

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

Prayers.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to present the following report from the Joint Committee on the Library of Parliament.

Joint Committee on the Library of Parliament

Your committee met on December 4, 1962, and begs to submit the following recommendations:

(1) That the submissions presented to Treasury Board on 18 April, 1962, with respect to the following positions—

Hon. W. Ross Macdonald: Honourable senators, if this is a lengthy report I suggest that its reading be dispensed with and that it appear as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* for today, and that it be considered at a later date.

Hon. Senators: Agreed.

Hon. A. J. Brooks: Honourable senators, I move that this report be considered at the next sitting.

Motion agreed to.

For text of report see appendix "A", p. 387.

LAND USE

SECOND REPORT OF COMMITTEE

Hon. Arthur M. Pearson, Chairman of the Special Committee of the Senate on Land Use in Canada, presented the committee's report.

He said: Honourable senators, with leave of the Senate, I move:

That the report of the Special Committee of the Senate on Land Use in Canada, for the Fifth Session of the twenty-fourth Parliament, tabled today, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this day, and form part of the permanent record of this house.

Honourable senators, with your indulgence, I should like to make a few comments on this report. I assume that it will be approved at the next sitting or on Tuesday next, but I shall be away and therefore will not have an opportunity to say anything about it then. With your permission, I should like to make my comments now.

Hon. Senators: Agreed.

Hon. Mr. Pearson: Honourable senators, this report of the Land Use Committee is from the last session of the Twenty-Fourth Parliament. The object of the committee was to stimulate and promote initiative and to interest administrators and local groups in the ARDA program in order that they might get an insight into the program and the direction of the economic rural extension and organization of local committees. I propose to say a few words on certain parts of the report which I have underlined.

The witnesses who appeared before the committee last year were of great number, and are listed in the report. During the four sessions that the committee met the witnesses were requested to present briefs dealing with basic land use and the economic and social problems of their respective areas. They were also asked to discuss the institutional and organizational aspects in their provinces, with the idea of encouraging local rural leadership, to stimulate rural planning and development and, in particular, the rehabilitation of the low income areas.

The committee itself was particularly concerned with assuring support by rural people in the development of these projects. The committee felt that the major work done by ARDA was in the promotion of the self-help idea of the rural areas. Rather than pursuing the program from the top down, it was hoped, and it is still planned, to work from the local level up through the upper echelon on the scientific studies of the experts of the rural extension group.

The briefs that we received stressed the need of a tremendous research program, to make a needed survey in all rural areas of the value of the soil, the quality of the soil, and the possibility of putting the lands to other uses. Having in mind the need for extensive research, it is felt that another look has to be taken at the provincial extension departments. The provinces have their own extension departments and for the most part they are engaged largely in finding ways to produce more of a certain product in their areas. They are engaged in finding ways to produce more grain and a better way to reap more bushels per acre, rather than trying to figure out how a farmer can make a successful living on a small acreage or family farm. There will also have to be a more extensive study made by the combined forces of the federal technical people engaged in agriculture and the departments of government in the provinces engaged in agriculture.

Honourable senators, it was the intention of the committee last session to go into the question of incidence of taxation in the rural areas, but as our studies were cut short in April before we had completed our program, that question did not get taken care of. However, the committee is planning to look into that question this session. In this connection we expect to have the assistance of an economic expert and the help of the Economics Division of the Federal Department of Agriculture, working through and with the provinces, to examine this question of rural taxation in relation to income of farmers.

Mr. A. T. Davidson, director of the ARDA program of the federal Department of Agriculture, appeared before the committee and gave a precise outline of what he anticipates doing. At the present time he has a small staff, which is working through the P.F.R.A. in western Canada. I understand that the P.F.R.A. is being developed to undertake a program different from that which they have been working on in the past, and to deal with new subjects. They are also working through the M.M.R.A. organization in the Maritime provinces.

Hon. Mr. Macdonald (Brantford): Could the honourable gentleman tell us who is the economic expert the committee is retaining, and something about him?

Hon. Mr. Pearson: The committee is negotiating with him, and has not actually come to an agreement with him yet. Therefore, I do not know whether it is proper for me to disclose his name at the present time, before we have formally engaged him.

Hon. Mr. Macdonald (Brantford): You are quite right; I agree.

Hon. Mr. Pearson: One of the main problems the ARDA program runs up against is how to increase the productivity of rural areas, to try to overcome the disproportion of income existing between rural areas and their counterpart in urban areas. Of course, in the case of some rural areas the level of the economy is high, but in others it is considerably below that of urban areas, thus giving such rural areas the appearance of being depressed. It has been found in certain areas—for instance, in Quebec and the eastern provinces—that many people are abandoning their land because it does not afford an opportunity to make a good living. One factor that was stressed all the way through was that they were interested more in the family farm, and raising the income of the family farm, than in creating larger units throughout the country. The idea then was that the research groups of the federal Department of Agriculture and the Department of Labour, and their counterparts in the provinces, should work together to try to arrive at some means of increasing family farm income.

Honourable senators, that is all I wish to say at this time.

Hon. Mr. Paterson: May I ask the honourable senator a question?

Hon. Mr. Pearson: Yes.

Hon. Mr. Paterson: Has your committee taken into consideration the variation in profitability of individual crops from year to year? For instance, in certain districts one year durum would be more profitable than red wheat, and probably in your district this year flax is the most profitable crop. Has your committee taken that into consideration, with the intention of advising the rural areas what is the best crop to grow?

Hon. Mr. Pearson: I know there is quite a variation in that respect throughout the country, but the committee has not studied that problem at all.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I want to add a few words to the chairman's remarks. The committee on land use which has been functioning for the last four years, mainly tries to ensure that the natural resources coming from the soil be used with the utmost efficiency by our Canadian farmers to enable them to increase farm production and income.

The committee was formed at the request of the former Prime Minister of Canada, the Right Honourable Louis St. Laurent who, because he realized that people were leaving the land and that farm income was steadily declining, particularly in the East, wanted this committee to examine the means which might bring about a change.

In the few remarks I propose to make, I shall more particularly deal with the eastern farmers, especially those established between the city of Quebec and the ocean, including the Maritime farmers, that is, those in New Brunswick and Nova Scotia.

First of all, I would like to rectify something. Almost every day I meet city people who tell me that farmers are privileged people as only some of them pay income tax. Really, anybody who says that farmers are lucky because they do not pay taxes must be very unfamiliar with the farm problem.

According to the statistics of 1961, 75 per cent of the eastern farmers in Canada have an average income of $1,200 a year, and when we say an average income of $1,200 this amount cannot be compared to that

which a city worker might earn, because the farmer's food is priced much lower than the city dweller's.

The farmer's income, should we assess his food and his lodging on the same level as that of the city employee, would be from $300 to $400 a year. With such an income, how can you expect the farmer to pay his taxes and live decently, without hardship, on his land? We need not be surprised if the young people abandon the farms. It is a tragedy and I wonder where the population of the cities will get its food to-morrow if the rural areas are completely deserted.

To this argument, somebody replied: "Before long, we will find ways and means to replace a meal with a single pill". I wonder how healthy human beings will be when we shall have reached that stage, because many people believe today that the high incidence of cancer is due to this artificial feeding through synthetic products. Besides, we would deny ourselves a very legitimate pleasure which has its value, that of enjoying a good meal in good company. It is often around the table that a lot of problems are solved.

The problem affecting the Eastern farmers is nothing new. It goes back quite a long way. I remember that in 1929, when I was in the Quebec Department of Agriculture, the then Minister of Agriculture, the Honourable Mr. Perron, used to say: "Agriculture today is in a depressed state". Mr. Gerard Filion, in an article of a real convincing realism published in *Le Devoir,* on November 7 last, is in complete agreement. And Mr. Filion knows what he is talking about, for he comes from a rural locality and he has been for many years secretary of the *Union catholique des cultivateurs.*

Agriculture has changed in the last 30 years; so have methods of production. However, in spite of the spectacular decrease in the number of farmers, the agricultural situation is still more precarious that it was 30 years ago. Prices are going up everywhere. The farmer has to pay much more than a few years ago for everything he needs. Only one line of products is showing little or no increase in price—that is, agricultural commodities. The eastern farmer could not remain on his farm if it were not for the support prices on butter, pork and eggs. If farmers' sons abandon the farm, the reason for this is that they get a better income in the factories than they would on the farm.

In order to be able to remain on his farm, the farmer must develop his unit and mechanize his means of production. All these machines are terribly expensive and a great number of farmers cannot afford this luxury —it is really a luxury for some of them— of modernizing their lands. There is only one thing left to do: leave the farm.

There are at present throughout the country thousands of abandoned farms for sale. Their owners cannot find any buyers, and they will not find any until we have solved that disquieting problem of the dying land.

In 1941, there were in the province of Quebec 150,000 families living on farm income. Could we find 100,000 today? I doubt it. We should not assume that the agricultural problem will be solved with subsidies or by printing paper money distributed right and left. No. Those are artificial remedies which may extend the life of a dying land, but for a very short while only.

What is important, said Mr. Filion, is not so much that we should have 150,000 or 200,000 agricultural families in Quebec. What is more important is the fact that those already there should live decently.

How can we solve that problem? That is what the committee on land use should try to solve. The solution does not merely consist in telling people how to produce, but also in telling them how to find markets for their products.

It is pointless to tell our eastern farmers: "You are going to produce grain today as cheaply as western farmers are able to". I think that would be an illusion, because our soil does not lend itself to grain growing on a large scale. Now, we must find more economical means, by water for instance, to transport western grain to eastern Canada, at more reasonable prices.

The Government subsidizes the transport of western grain to eastern Canada, but it is so costly that, even with those subsidies, eastern farmers pay more for a bushel of grain than European countries.

For eastern farmers, there is, furthermore, the problem of the dairy industry. The Minister of Agriculture has just warned eastern farmers to cut down their daily production, otherwise the government will be obliged to reduce those subsidies. Now, if eastern farmers must cut down further their dairy industry, there is only one thing left for them, and it is to leave their lands and go out of business.

The solution, it seems to me, would be to increase the consumption of this natural product, this healthy product, which is vital for all citizens. We see and hear in the papers as well as over the radio and television advertisements about artificially sugared soft

drinks, in which it is said that it is enjoyable and that it makes us think young to drink those beverages. For my part, I believe that with a healthy food like milk, not only could we think young, but we could think soundly, and our health would be improved.

The farmer, left to himself, is unable to promote milk consumption. It seems that it should be the responsibility of the Government authorities to undertake that campaign, and that advertising would cost them much less than all the subsidies at so much per pound.

To increase production, on the eastern farms particularly which are older and which have been farmed for hundreds of years before the western lands, the land which has become acid must be improved with an addition of limestone. Formerly, the provincial government used to pay a subsidy at so much a ton on limestone, but in the last few months it has been reduced.

The committee also studied the possible change in the farming pattern of the lands of the eastern farmers—the size of these farms should be increased. It is impossible today to mechanize the small farms in the east in order to operate them at a profit. It is going to be difficult, but even so, it seems to be one of the means which we shall have to resort to in order to lower the cost of production. It will even be necessary to pay for the relocation of certain farmers from their farms to some other places where they will settle. This will perhaps in effect reduce the number of families in each community but, as Mr. Filion said, it is better to have 50 farmers living decently on their farms than 100 who are hungry.

In other communities it will be necessary to plant trees, to reforest lands which should never have been logged. It will also be necessary to consider land tax reforms, both municipal and school, and that is not the least of our problems. I believe that our committee, this year, will particularly consider the problem of taxation. Besides, the whole set-up of rural taxation must be reconsidered and reshaped. The landowner cannot be held solely responsible for municipal, school or district debts.

As was said by the man from whom I get almost all the core of my remarks, Mr. Gerard Filion, "to tax the land under cultivation is to tax a profession", then, "why burden the farm with taxes when the worker's tool box, the physician's bag, the lawyer's briefcase, the lumberjack's axe, are free from municipal or school taxes".

Finally, there is also another problem that must be studied. The farm workers—and often those people work only for a certain number of months during the year—cannot draw unemployment insurance benefits. That is another problem that keeps young people from working on a farm. If they work in the city during five or six months, they are sure of getting unemployment insurance benefits during a certain number of weeks. But if they want to work on a farm, they know beforehand that, when they stop working, they will be at a disadvantage—because some people can get insurance benefits, whereas others who have worked harder, cannot get anything—if they stop working, the temptation becomes too strong; they take what impresses them most, what looks best to them. That is another matter that will have to be looked into.

In order to evaluate the whole problem adequately, some senators who sit on the Land Use Committee will have to travel throughout Canada so as to see on the spot what is happening and to decide how the problem could be settled, because a number of those farmers have suggestions to make and want to tell us their difficulties so that together we might try to find the right answers.

Therefore, I suggest that one or two senators, accompanied by experts, be sent to every province, and attempt to find a solution.

However, we shall not find that answer at a moment's notice and thus transform the agriculture of a whole area, because it is not just a matter of turning on a switch; but we shall at the same time have to rebuild our whole farming industry.

In concluding, I shall quote the last part of an editorial by Gerard Filion on November 7, 1962:

> The alarm sounded by the farmers is serious. Political parties must ask experts to reconsider the whole problem of the agricultural economy in order to offer something new instead of cure-all solutions. It is serious, because farmers deserve a decent standard of living. If their requests are turned down, they will get rid of one government after another even if they have to fall in the arms of quack doctors such as the Social Crediters.

(Text):

Hon. Mr. Isnor: Honourable senators, may I ask the honourable Chairman of the Special Committee on Land Use in Canada (Hon. Mr. Pearson) if, having regard to the proposed establishment of the National Economic

Development Board, the committee has considered preparing a brief for presentation to that board?

Hon. Mr. Pearson: No, but I think that would be a good thing to do.

Hon. Jean-François Pouliot: Honourable senators, I wish to congratulate Senator Pearson and Senator Vaillancourt, and all the members of this special committee, on the excellent work they have accomplished. In mentioning names I must not overlook Senator Power who was the first chairman. I must also inform you, my honourable colleagues, of the fact that before the committee was established, that great friend of the Canadian farmer, the Right Honourable Louis St. Laurent, told me that he wanted this work to be accomplished by the Senate because he knew it would be well done, and that its work would be of great benefit to the farmers of Canada, especially those of eastern Canada. This is a Liberal program that has been well carried on.

The Hon. the Speaker: Honourable senators, with leave of the Senate, it is moved by Senator Pearson, seconded by Senator Vaillancourt, that the report of the Special Committee of the Senate on Land Use in Canada to the Fifth Session of the Twenty-fourth Parliament be tabled, and that it be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent record of this house.

Some Hon. Senators: Adopted.

Hon. Mr. Macdonald (Brantford): Mr. Speaker, did I understand that the motion with respect to the Land Use Committee was that the report be printed as an appendix to *Hansard* and that it be adopted? Is it a combined motion?

The Hon. the Speaker: That is correct, yes.

Hon. Mr. Pearson: Honourable senators, with the permission of the Senate, I would include in my motion for authority to print the report of the committee, that the report be adopted now.

Motion agreed to.

For text of report see appendix "B", p. 389-99.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Clarence J. Veniot reported that the Standing Committee on Public Health and Welfare had considered Bill C-4, to amend the Department of National Health and Welfare Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Sullivan moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INTERNAL ECONOMY COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Lionel Choquette, with leave of the Senate, moved:

> That the name of the Honourable Senator Macdonald (Cape Breton) be substituted for that of the Honourable Senator Welch on the list of senators serving on the Standing Committee on Internal Economy and Contingent Accounts.

Motion agreed to.

FOOD AND DRUGS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Joseph A. Sullivan moved the second reading of Bill C-3, to amend the Food and Drugs Act.

He said: Honourable senators, at the request of my leader, I wish to thank the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) for allowing second reading of this bill to be moved today.

Secondly, I would pray the indulgence of the house. Because of the most unfortunate incident that has developed, not only in our country but throughout the world, I feel that I must discuss this bill in some detail. In doing so, I trust that I will not be too long.

There is some very difficult terminology in regard to this bill, and for the assistance of the reporters I have prepared on separate sheets a glossary which they will be able to utilize.

It has been stated that medical men often forget that in the long apprenticeship of their art they learn an esoteric vocabulary of at least ten thousand strange words which most people do not understand and, I might add, which some of us do not understand. In that regard I believe we compare favourably with the legal profession.

Oliver Wendell Holmes, son of an equally famous poet-physician, once defined the law as

> A magic mirror that reflects not only individual lives but also the lives of all men who have ever existed.

Law and medicine have provided two of the greatest single forces in the moulding of civilization, the one attempting to conquer men's minds and mores, the other wrestling with the body and its mysterious dysfunctions. In early societies the law attempted to regulate medicine—it attempts a bit now, too. In modern urban-industrial cultures, medicine inspires innumerable laws and regulations affecting public health and medicine; it also provides jurists with a clearer insight into the machinations of the human mind. It is this frequently uneasy yet solid partnership between our two great forces that places so much value in their contributions to the body politic and the welfare of the citizens of our country.

The performance of the press in Canada in this whole episode was indeed very revealing. Apart from the fact that the press looks for news rather than facts, their pseudo-scientific writers grasp the most recent medical journal, scare a headline, and some completely uninformed individual asks a question. It is amazing what knowledge they display with appallingly little factual information.

I can now state, after a few years of careful observation of the National Health and Welfare Department, a few pertinent facts. Generally speaking, Canada's Food and Drugs Act, administered by the Department of National Health, is second to none in the world, and in my opinion, it has been so for many, many years. Indeed, it is regarded as a model and has been used by the World Health Organization as the basis for comparable legislation in many other countries.

All senators are deeply conscious, however, of the rapid advances in scientific progress and of the need to maintain legislation that will enable us to keep pace with these advances. The measure before us is an indication of the desire of the Government to provide additional assurances to the people of Canada that everything possible is being done in their interest. This, however, is not a responsibility which any Government alone can discharge effectively. There are others who must share in the burden—the medical profession, pharmacists, the manufacturer of drugs, and finally, individual Canadians. Let there be no mistake about this: the huge expenditure of money by manufacturers of drugs in scientific research has been one of the greatest boons to mankind.

We all have an important role to play. We have the greatest sympathy and compassion for the unfortunate victim of any drug, and when tragedy strikes the child, or the unborn child, we are all particularly touched; but we have a responsibility to control our emotions and deal objectively and effectively with the situation.

Hence, on reading the House of Commons *Debates* I feel the root of this problem is somewhat confused. I am not impressed by crocodile tears.

Now, honourable senators, what does Bill C-3 mean? Relatively simple in content, it is designed to reinforce certain aspects of our drug control provisions and to furnish further clear authority in the interest of that control. It embodies three changes in our Food and Drugs Act: first, it provides authority to impose additional controls on the distribution of drug samples; secondly it authorizes the prohibition of the sale of a drug; and thirdly, it emphasizes that new drugs require special consideration.

It may interest honourable senators to know the personnel in the food and drug directory. Three members of this directory are doctors of medicine. The directory has its own laboratory to do chemical and pharmaceutical tests on food additives, food, and drugs. I might add here that the danger of fallout is not nearly as great to our people as the danger of chemical additives to our food supply. The authority for that statement is Dr. Edward Teller, of the University of California, the inventor of the H-bomb. There are fifty-seven persons employed in these laboratories over the country. The directory does not perform any clinical investigation of food additives, food and drugs. They maintain a staff of three inspectors with special pharmaceutical training. Now, that is barely adequate for a group of people who have been doing a magnificent job. What are the drugs as to which it has proved necessary to limit or prohibit use? They are two drugs: thalidomide and lysergic acid diethylamide.

During the past twenty-five years of discovery, testing and marketing of today's phenomenally effective drugs, techniques for detecting possible toxicity in every known body system have been devised and improved by research medical scientists, the pharmaceutical industry and elsewhere.

The possibility of drug effect upon the unborn child has not been neglected, but not until the appearance of the deformities attributed to thalidomide has this tragic effect been widely recognized. Few of the practising medical profession had ever seen a case of

phocomelia and, in fact, the word itself usually has not been a part of the physician's vocabulary.

Thus the recent catastrophic appearance of malformed babies reportedly associated with the drug thalidomide was due to a lack of scientific knowledge and not to a deficiency in the law. "Protection against the unknown cannot be legislated". Now, if we realize that basic fact, all becomes clear. The professional denigrator will have a hard task refuting this statement.

The problem of predictability of this and other forms of toxicity of drugs continues to be subject to intense scrutiny by medical and pharmaceutical research scientists. Thousands are at work in consultation with the industry, or independently, or under government or university auspices.

Testing of drugs before they are marketed is extremely thorough. For example, the Pharmaceutical Manufacturers Association in the United States estimates that its member firms made use of nearly nine million animals in 1961. Beyond a certain point the testing of a drug in animals may be of little help in determining its safety and effectiveness for man. Untoward effects in humans may appear only after several years of use, and adverse reactions in man may not be demonstrable in animals. As a matter of fact, Dr. F. C. Fraser, Professor of Medical Genetics at McGill University, Montreal, speaking recently at a seminar at Ann Arbor, Michigan, pointed out that animal tests alone cannot tell conclusively whether a drug will have an adverse effect on human development. But if research is to proceed, testing in humans must at some point be carried out. A new drug will be administered to humans only when, in the opinion of the responsible physician, animal studies have indicated that the drug may be used without undue hazard and that it has probable usefulness in the practice of medicine.

The first administrations of the drug to humans are entrusted only to the hands of highly trained and competent clinical scientists, usually in established teaching or research institutions. When these critical studies have established that the drug may be useful without undue hazard, general clinical trials are initiated. These are primarily designed to demonstrate that the drug may be used safely and effectively in general medical practice; rare and unusual toxic effects may also be uncovered.

Often three to five years may have elapsed since a compound was chosen for study as a potential drug. In the case of a lifesaving drug, many persons will die because of its unavailability before the end of this extended period. This underlines the desirability of completing the investigations without unnecessary delay.

Government scientists review all the data, and may at their discretion suggest additional tests. When both parties, the manufacturer and the government, are satisfied that the drug is safe, the new drug application becomes effective and the drug may be distributed for general use.

Two conclusions stand out with respect to the safety of our drugs:

1. There are a number of complex, scientific problems about the testing of drugs that are still unresolved, although the pharmaceutical industry and medical scientists are constantly working on these problems. Until medical science has solved them, absolute safety cannot be assured. It may be the nature of biological systems that absolute safety will never be attained. In such instances, physicians must and do weigh the possible advantages over any known or yet unknown disadvantages.

2. Both the manufacturer and the Government now take every precaution they know to be of value to prevent the marketing of unsafe pharmaceutical products. Canadian prescription drugs are as safe as practical modern science can now make them.

Thalidomide. This drug was first conceived as a treatment for epilepsy, but the developers themselves discarded it for this purpose on their own findings of ineffectiveness. It was developed eleven years ago in Germany, and the development process took eight years before it was on the market, when it was used clinically for a period of three years. It was sought as a sleep-inducing sedative and for this purpose it proved phenomenally successful. The research investigator in the United States, Dr. Helen Taussig, termed it "Germany's favourite sleeping pill". Here I wish to interject a fact: This drug had been widely used in Germany, the United Kingdom, Ireland and Switzerland, and it was not until some untoward incidents occurred in Germany that the drug was banned in the United States. As a matter of fact, the authorities in the United States never got around to testing it. So let us give credit where credit is due.

Thalidomide was banned in Canada in December 1961. All the laboratory evidence indicated that this drug was entirely safe. Indeed, that was one of the greatest virtues. It was suicide proof. It was effective for the purpose claimed. It was not until two and a half years after the drug first was sold in Germany that it began to be connected with the birth of deformed infants.

There are a great many congenital defects and abnormalities, much more complex than

this unfortunate incident, with which the medical profession has had to deal, but this has been a tragic event because it has affected the yet unborn child.

The drug industry needs some regulation. No one questions that, but such law should impose the very minimum regulation absolutely necessary for public health and safety. Beyond that point we get into the realm of a stifling bureaucracy, and the whole course of events can be reduced to impotency. To use a homely phrase known to every doctor and patient, in the name of treating an ailment it would provide a cure that is worse than the disease.

Honourable senators, the Royal College of Physicians and Surgeons, of which I have the good fortune to be a member, was called upon by the minister to form a committee. This committee consisted of Dr. Dufresne, Professor of Pharmacology, University of Montreal, Dr. E. A. Sellers, Professor and head of the Department of Pharmacology, University of Toronto, and Dr. Brien of the University of Western Ontario. They are now studying the whole problem as to what proposals can be added to the existing regulations.

It has been stated that the food and drug department of the United States is a shining example of efficiency. Recently, Congress approved a drug bill giving the Food and Drug Administration Department broad new powers, and the thalidomide episode resulted in much favourable publicity for that department. But the roof fell in. Senator Hubert Humphrey levelled a serious and surprising assault on the agency. He questioned its ability to carry out the drug law effectively, accusing it of sloppy work, lack of imagination, and failure to keep in touch with other government health agencies. He said the FDA approved drugs which should have been kept off the market and kept drugs on the market long after they have been withdrawn as dangerous.

So I feel, honourable senators, that our food and drug department is certainly to be commended on the way it has carried on and the action it has taken. This committee that has been formed by the Royal College of Physicians and Surgeons undoubtedly will bring in most important information. They are the experts the Government is depending on to appear before the proposed special committee just announced by the minister, which is certainly indicated, as my later remarks will amply justify.

My personal opinion is that from time to time certain compounds might require greater control than is afforded by the Food and Drugs Act as it now exists. Honourable senators will recall the amendments that were made to this act, which I had the pleasure of sponsoring in this house, in regard to the barbiturates or so-called "goofballs." Now we are presented with another amendment. But I believe it to be bad policy to stifle legitimate careful investigation by qualified investigators, and I sincerely trust that those who spoke in the House of Commons will note this statement: "A smattering of knowledge is dangerous."

Let me say a word about the second drug, lysergic acid diethylamide. I have a whole text book here on the advantages of the drug. Dr. E. A. Sellers, Professor and Head of the Department of Pharmacology at the University of Toronto, states:

> My information is that L.S.D.25 may be a valuable therapeutic agent under some circumstances.

However, it is used—and these are my own words—and widely held to be most useful by the psychiatrists, to elicit release of repressed material and provide mental relaxation, particularly in anxiety states and obsessional neuroses. But it should only be prescribed for and administered to an individual in an institution, as I have stated, and by careful investigators and scientific research men. This is exactly what is being done.

Dr. Lewis, Associate Professor of Psychiatry in the Faculty of Medicine of the University of Toronto, had this to say:

> Let me say that the drug is not an habituating danger. It is something in which research in all parts of the world is going ahead actively and it is a medication which brings hope to types of neurotic and character problems, such as alcoholics, who do very poorly with any other type of psychiatric treatment. The late Carl Jung, the world renowned psychoanalyst, told me personally that he felt this was an important and expanding frontier in psychiatric research and encouraged me to continue in this work. I would like therefore to ask you to use your influence to permit the restricted use of this drug by qualified scientists and psychiatrists.

Dr. Lloyd G. Stevenson, Dean of the Faculty of Medicine of the University of McGill, writing in the Journal of the Canadian Medical Association, had this to say—I shall quote only parts of his letter:

> Some of the members of the Faculty of Medicine of McGill University have expressed their concern over the withdrawal from the market of certain chemical agents of considerable value in treatment. They are of course well aware of the current reaction to the

thalidomide tragedy and fully share the universal feeling that the utmost care must be taken in authorizing new therapeutic agents to ensure that untoward effects are kept to a minimum.

We might at the moment ask ourselves what would have happened if the present climate of opinion had existed when chloroform or insulin or the arsenical treatment of syphilis were introduced. All three agents conferred vast benefits, but all three of them took a toll in occasional serious side reactions and even in fatalities.

What is required is a sane and balanced view, and this is likely to prevail if the public and the profession encourage government to accept the expert advice it is now seeking and do not subject it to the pressures of haste which might lead to ill-considered action.

Let me illustrate my point further. I have here a pamphlet of the proceedings of the Mayo Clinic. In conjunction with a particular department at that clinic and my own in St. Michael's Hospital, Toronto, under one of my associates, we are at the present time investigating the use of a certain drug in a particular form of disturbance of the internal ear. This treatment, this method of administering the drug, is carried out under observation within the hospital.

Before this bill becomes law, and frankly I feel that it should, I will move to refer it to the appropriate committee. I, too, wish to ask some questions of the personnel of the directorate, as I do not want qualified investigators to be hampered in their research.

It is my good fortune to sit on the Connaught Committee of the Board of Governors of the University of Toronto. Honourable senators know that that is one of the outstanding research institutions in the world. The director of that institution states:

> Our Food and Drugs Act does need to be given more teeth, but I hope that all clinical investigation will not be put under too stringent control by the food and drug directorate,—it contains many fine persons, but they do not know all about everything and never will.

I am sure that my medical colleagues in this house, Senator Gershaw and Senator McGrand, will join me in supporting that statement.

I have a suggestion to make—I do not propose to put it on the record now, but I will do so at the committee meeting—as to how we could save the Government thousands of dollars in this particular aspect. We have in Canada today leading research institutions. We also have in the various universities, particularly those mentioned and some others, outstanding departments of pharmacology. When a questionable drug comes into the country, we have all the facilities at our disposal to investigate it. For example, such a drug could be sent to the pharmacological department of the University of Western Ontario for investigation. Why is it necessary to duplicate this service when the available scientific men in this field are already in these institutions. I leave that for honourable senators to ponder on.

We have had a great influx of drugs from Europe. Honourable senators will probably remember having read in the press about the Lederle Company of New York having had a patent stolen from it by a drug company in Italy. The consequences of that were very serious. The drug manufacturers of this continent have done everything they possibly could to enhance their reputation.

As a member of the editorial board of one of the leading scientific medical journals of the United States, I have just recently been provided with a brief abstract of the latest information relating to the thalidomide episode.

Phocomelia studies uncover "negatives". A group of German scientists in studying the negative cases of phocomelia—those in which the mother of a malformed child is not known to have taken thalidomide.

It is of interest to note that Gunter Grupp, PhD., Associate Professor of Pharmacology at the Cincinnati University College of Medicine, visited fourteen German medical centres during August and September, and reported that in all places where the patients had been carefully studied there were always more than 25 per cent in which thalidomide could not be found in the history. He said he had interested five German physicians who had been active in studying thalidomide in making a joint study of the negative cases. Some German experts, Dr. Grupp said, believe that the negative cases must have taken the drug unknowingly, while others feel that the number of such cases shows that thalidomide is not the only cause.

There have been other recent developments: The British Medical publication *Lancet* carried a report from Dr. Tadashi Kajii of the Department of Pediatrics, Hokkaido University Hospital, Sapporo, Japan, estimating that 700 babies with phocomelia have been born in Japan since 1961.

Dr. H. W. von Schrader, Scientific Director of the International Division of Chemie Grunenthal, the German firm which first

distributed thalidomide, after studying reports from eight countries concluded that:

1. There are children with extremital deformities whose mothers took thalidomide during early pregnancy. The assumption of an association is thus justified.

2. There are normal children whose mothers had taken thalidomide during the critical period.

3. There are children with extremital deformities whose mothers have definitely taken no thalidomide. The majority of investigators assess these cases at up to 50 per cent.

4. As long as the high percentage has not been explained, and the decrease of the extremital deformities is not yet certain, the term "thalidomide embryopathy" for the phocomelia or amelia syndrome seems unjustified.

R. W. Smithells, MB, consultant pediatrician, Alder Hey Children's Hospital, Liverpool, England, reported in *Lancet* on a study of cases in Liverpool that the previously reported association between thalidomide and ectromelia is confirmed, but this drug appears to have been responsible for less than half the cases.

One further word about drugs, the so-called idiosyncrasies of drugs. Some people can take aspirin, others cannot. The injection of a hypodermic which is supposed to be of a sedative nature before a major operation can produce the very opposite effect. But, if it were not for the scientific clinical investigation of these drugs, the great boon to mankind of the so-called "miracle" drugs would never have occurred.

This very earpiece I have in my ear is made of a substance which is supposed to be non-allergic, yet I have seen many a patient who has suffered the most diffuse and widespread allergic reaction from this very material, in spite of the fact that these patients are tested first for such a sensitivity.

Let me interject here a thought on exactly what I mean—and, frankly, I am supposed to know something about this particular subject. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), speaking last week, said that he knew something about the criminal law. Rightly so, but he should have left out the word "something". Science is not the "be all and end all" of life. You may know something about the sun, the atmosphere, the rotation of the earth, education, law, or medicine, but you do not know everything. What I am trying to say is that there is no such body as a "know it all". A question was asked by an erudite individual—who pretends to speak with a degree of infallibility about everything in this country—as to what planning there was in order to take action in respect of drugs said to be effective in the treatment of cholesterol. My answer is: I am very glad that I have cholesterol in my bloodstream.

Honourable senators, I do not intend to be facetious or sarcastic; that is not my way of life; far from it. I speak on a subject I know something about, not on something that I am letting on to others I know something about and in fact know nothing about it. To substantiate this remark, Dr. Fraser Mustard, Research Associate of the Department of Medicine of the University of Toronto states, "We know very little about the true action of cholesterol." I advise people with a family history of heart disease to consult their physician before trying to modify their own diet.

Honourable senators, before completing these remarks, I should like to give you a typical example of a hypothetical case of the idiosyncrasies of drugs. Suppose the honourable senator from Toronto-Spadina (Hon. Mr. Croll) came to me and I decided, with his concurrence, that I had to operate on him. He might casually ask, "Doctor, can you guarantee this procedure?" My answer would be, "There are only two things in life that we can guarantee—taxes and death." And in operating on him I could assure him of one of those conclusive endings. Beside that point, if he were administered an antibiotic and a certain type of antiseptic to prepare the operative field—a careful history pertaining to all these matters, having been taken beforehand—he still might develop an untoward reaction to both these substances, what is commonly known as severe penicillin reaction or a local reaction to a drug. We cannot foretell that, but there is the odd possibility that it could develop. Now that is a simple explanation.

The two drugs mentioned in this bill could act in comparable ways. They have been a wonderful boon to psychiatrists, and under proper control they will continue in like manner, with a limitation on thalidomide that it must not be given to pre-menopausal women or pregnant women. That is the safeguard. The trouble is that the patient takes a drug on prescription, and instead of taking one capsule, as directed, she insists on taking two, three or four to overcome early vomiting in pregnancy.

At this very moment, as I speak to you, there is being developed a possible cure for malaria and muscular dystrophy by means of new drugs.

If I may project this word of advice: Do not take any drug or medicine unless your physician has prescribed it—and this includes sedatives, tranquilizers, pain-killers, or any

kind of medicine which you read about in the press or see on television, even though you can buy it without a prescription.

Finally, with a background of over thirty years of medical teaching and research, I do not hold the Government responsible for this most unfortunate affair. As a matter of fact, I think the department acted well. It is only the so-called group of "do-gooders", the "crocodile tear" individuals and the like who would think otherwise, in order that they might gain some political advantage.

Who else could summarize this whole problem better than the immortal bard Shakespeare? What a mind he must have had. I quote from Henry IV, Part II:

> There is a history in all men's lives,
> Figuring the nature of the times deceased;
> The which observed, a man may prophesy,
> With a near aim, of the main chance of things
> As yet not come to life, which in their seeds
> And weak beginnings lie intreasured.

I highly commend the new legislation to honourable senators, and if second reading is approved, I shall move that this bill be referred to the Standing Committee on Health and Welfare.

Hon. F. W. Gershaw: Honourable senators, at this time may I express our welcome to the new senator from Kenora-Rainy River (Hon. Mr. Robertson) and congratulate him on his appointment. The people of Medicine Hat are very pleased that he gives the name of that historic city as his birthplace.

The sponsor of the bill now before us has given a complete, factual and definitive explanation of the measure. He has told us something of the tragedies, the sadness and the hopelessness of parents who find their child deformed from any cause, and particularly from a cause which might have been avoided. He is a surgeon of note who has brought fame to Canada in the international field, and we in the Senate are honoured by having him with us.

I venture to follow the honourable gentleman because I have had some contact with the drug thalidomide, which was on the market in Canada from April until November, 1961, and although I prescribed it from time to time, I am very thankful that it reached no person in the pre-menopausal period or during pregnancy. That brings us to the question as to why certain drugs are prescribed for certain conditions.

Every doctor has textbooks on his shelf which indicate the use of drugs, the dosages to be prescribed and so on, but, unfortunately, new editions of these books do not come out frequently. Every doctor reads professional magazines containing whole pages of advertisements of drugs, and in addition every doctor receives numerous samples of drugs from drug houses who are very generous in sending them out in large quantities, nicely packaged and looking as if they would be pleasant to take, together with instructions for their use, their side effects, dangers, and other information of that nature. The bill presently before the house will stop such distribution to a considerable extent. That is to say, such samples will no longer be sent out in such quantities, but will only be available to a doctor on his written request.

As has been indicated, every doctor deplores the widespread use of the tranquilizing drugs. Every doctor tries to persuade his patients not to use any of these drugs, explaining that they are habit-forming and so on; but when a patient comes to a doctor, sick with worry, anxiety, fatigue, fright and sleeplessness, the use of some of these drugs may be necessary at least for a time.

Thalidomide, in certain cases, seemed to me to be the ideal drug. It is a sedative, without being toxic, and people who take sleeping drugs in great quantities hoping never to wake up again, could not achieve this effect with thalidomide because persons have taken it to the extent of as much as 140 times the average dose and have lived quite happily to tell the tale. In addition, thalidomide does not cause a hangover—this is not a scientific term, but it is most expressive—and it does not depress the heart or respiration. It gives sleep and rest. Nevertheless, no one will question the wisdom of its withdrawal from the market.

As has been said, deformities may occur from many causes, but there is ample evidence to show that thalidomide is guilty in this respect and that it certainly should be withdrawn from the market.

The next drug I have in mind is lysergic acid diethylamide which, although found to be dangerous in that it causes some departure from normal mental standards in the form of mental confusion and fantasies, is a splendid drug for treating certain forms of addiction to narcotic drugs and alcohol. However, the minister has indicated that under certain conditions its use in institutions may still be permitted.

Another drug that comes to mind is preludin which has been used very generally and which, although it is not being withdrawn by this bill, has now come under suspicion. It is a drug which diminishes the appetite, and is helpful to people who are desirous of slimming or reducing weight; if

taken before a meal, then they are not particularly hungry and dieting becomes easy.

In Norway and Sweden two other drugs have been banned altogether. From this it would appear that people generally are alive to the dangers of some of these drugs; however, it is to be hoped that they will not become panicky because if they do so, and are unwilling to use any drugs at all, they will be denying themselves the comfort and the helpful effects of many of the new drugs.

No one regrets the appalling tragedies that these particular drugs have caused more than do the medical profession and the drug houses. The drug houses have spent millions of dollars in building up huge laboratories, and employing the best scientists available to develop these drugs to the best advantage. When these firms learned that in addition to causing a little tingling of the fingers, and some neuritis, this drug was dangerous for pregnant women, they sent two of their scientists to Germany to get the details, and the factual information reached them on November 30. Then, between the second and fifth days of December they sent a letter to every Canadian doctor to inform him of the danger of this particular drug. Most of the drug houses are ethical and desirous of producing drugs that are pure and wholesome. Therefore, it is to be hoped that the pendulum against drugs will not swing too far.

Penicillin, insulin, chloroform, and arsenical preparations have in the past proved to be wonderful drugs in the saving and prolonging of life and bringing happiness to those who needed them. They have had some undesirable side effects, and even with these drugs some fatalities have occurred, but still they have proved a great blessing to mankind. Such names as Banting, Best, Fleming and a host of others will live forever because they have, through their accomplishments in this field, given their names to preparations which have been of great benefit in the past and will continue to be so to future generations.

Research is not easy, and understanding and favourable consideration should be given to those engaged in it. It is tedious work. There are many disappointments. There are always new difficulties to be overcome, and the work is tiring and wearing.

For instance, with respect to the arsenical preparations, thousands were produced before those engaged in the work found the one that was synthesized, 606, was the most effective. It is estimated that there are about 3,000 preparations made on every project before the final drug is chosen.

The research people deserve a great deal of credit. They work long hours and give their whole heart and soul to the work they are doing, and they do their work in the hope of finding something that will be of great benefit to society.

If you talk to these people about the trail they must tread in their work of research, you might ask these questions and receive these answers:

> Does the path lead uphill all the way?
> Yes, to the very end.
> Does the work last through the whole of the livelong day?
> From morn to night, my friend.

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

SONS OF FREEDOM DOUKHOBORS IN CANADA

WITHDRAWAL OF MOTION TO APPOINT SPECIAL COMMITTEE

The Senate resumed from Thursday, November 22, the debate on the motion of Hon. Mr. Croll:

> That a Special Committee of the Senate be appointed to inquire into and report upon the continuing problems presented by the Sons of Freedom Doukhobors in Canada and any problems related thereto;
>
> That this said committee be composed of twenty honourable senators to be named later;
>
> That the committee be empowered to send for persons, papers and records; and
>
> That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

Hon. Jean-François Pouliot: Honourable senators, may I be allowed to say that it is always a great privilege to listen to the informative speeches of our learned colleagues, Senator Sullivan and Senator Gershaw. Both are authorities in their field, and besides that they have broad general knowledge.

I am also glad to join Senator Gershaw in welcoming and congratulating our new colleague, Senator Robertson. He must have considered it an honour to be appointed to the Senate, and an honour also to have been congratulated, as he was a moment ago, by Senator Gershaw.

I have a rather difficult task in dealing with the Doukhobors—and I undertake it seriously —because of the excellent speeches that have been made on the matter by several of our colleagues. They have expressed their views very clearly.

In the first place, honourable Senator Croll, who moved this motion, explained the difficulties which have been caused by the behaviour of the Sons of Freedom, a group

which comprises about 1,200 Doukhobors who have no respect for the law.

In order to be informed personally about the beliefs and activities of the Doukhobors I went to my own source of information, the *Encyclopaedia Britannica*. I have had two pages of this work copied, and have sent copies to His Honour the Speaker and to the honourable leaders of both parties in this house. I have here two further copies which I will give to Senator Croll and to Senator Roebuck. I thank those concerned for providing me with these copies.

What is the trouble with these people? It is explained in this extract from the *Encyclopaedia Britannica*, from which I will quote a few sentences:

> Doukhobors, a name given by the Russian Orthodox clergy to a community of nonconformist peasants. The word signifies "spirit-fighters," and was intended by the priesthood to convey that they fight against the Spirit of God . . . they . . . call themselves "Christians of the Universal Brotherhood."

According to their belief, their church is where two or three are gathered together united in the name of Christ. They pray inwardly and they greet each other fraternally with low bows, thereby acknowledging every man as a bearer of the Divine Spirit. There is a sentence or two that I might read from the extract. I do not want to put too much on *Hansard*.

> They found alike their mutual relations and their relations to other people and to all living creatures exclusively on love, and therefore they hold all people equal and brethren. They extend this idea of equality also to the government authorities, obedience to whom they do not consider binding upon them in those cases where the demands of these authorities are in conflict with their conscience; while in all that does not infringe what they regard as the will of God they willingly fulfil the desire of the authorities.

Now, honourable senators, note this:

> They consider killing, violence, and in general all relations to living beings not based on love as opposed to their conscience and to the will of God. . .In many ways they have a close resemblance to the Quakers.

If you are interested in the matter, honourable senators, I will tell you that this is copied from the best edition of the *Encyclopaedia Britannica*, the edition of 1910, and has been reproduced in the latest edition with another paragraph added, which gives the history of Doukhobors in Canada:

> Most of the difficulty the federal and provincial governments had with the Doukhobors was with a third group, the Sons of Freedom, who broke away from Verigin early in the 19th century and numbered about 4,500 in the mid-1950s. Their methods of protest included parading in the nude, bombing the Canadian Pacific railway, burning houses (not only those of the orthodox Doukhobors but their own to show contempt for worldly goods), and burning schools. Most of the Doukhobors dropped their opposition to compulsory education, and some even abandoned their pacifist position to the extent of serving in the Canadian army in World War II.
>
> The Sons of Freedom, on the other hand, refused even to serve in conscientious objector camps, and continued opposition to compulsory education. From 1932 to 1935 more than 500 Sons of Freedom were imprisoned on Piers Island, B.C., after conviction for indecent exposure, arson and defiance of the government. Doukhobors in British Columbia were disenfranchised by the federal government in 1934, the province having taken similar action earlier. Attempts to reconcile the Doukhobor groups and to discourage the methods of protest of the Sons of Freedom failed. Arrests and convictions of them continued in the 1950's.

My honourable friend, Senator Croll, speaks of human rights and fundamental freedoms. I will not insist upon it, because I do not believe in it—some day I will establish to you that there has never been fundamental freedom, even under this roof of Parliament. However, I have not the time to do that today; I will do it on another occasion, to satisfy all your eagerness to learn about it, if you have any eagerness in that regard.

Honourable Senator Pearson, the second gentleman who spoke, made a speech which King Solomon would not have disowned. He said there were some good Doukhobors and there were some bad Doukhobors—this we know. In that respect, he said that one should try persuasion with them. I do not believe that he would have much success. That was established clearly by our honourable colleague, Senator Tom Reid, who complained of all the damage done by the Doukhobors and of the indecent exposure by the women.

By the way, during the last federal election campaign, there was an exhibition of women in summery clothes, and without them, before a gentleman who laughed. He was right to laugh, because he must have had in mind that that is the state in which children deserve correction in the right place. It was

a ridiculous incident, and the only thing to do was laugh. However, that could not go on indefinitely. Senator Reid's speech is a formidable indictment of these people, and it merits special attention.

There was also the eloquent speech of the honourable Senator Horner of Blaine Lake who, I hope, will soon recover. He made a most interesting speech, which was short but to the point. He was inclined to share the views expressed by Senator Reid.

Then we come to our genial friend, the honourable Senator Roebuck, who supported the bill and thought that the Doukhobors should be converted to abide by the law. That is very doubtful. Although he made the best possible case for them, I regret I cannot share his views.

Then there was my neighbour, the honourable Senator Cameron. By the way, the former appellation "the honourable Senator from Banff" was abolished yesterday, and I have the satisfaction of calling each one of my colleagues by the best names, their own. Senator Cameron read a letter from Mr. Bonner, the Attorney-General of British Columbia, who is very happy about the action of the Senate and approves the motion. This is a good reason to be against it. The fact is that the attorney general of British Columbia, who is responsible for maintaining order and who, according to the Constitution, has the obligation to enforce the law there, praises the Senate for doing his job and assuming his responsibility. That is positive nonsense. I think Mr. Bonner is completely deprived of any sense of humour.

Honourable senators, before reaching a conclusion, which I hope will be considered happy, I should like to refer to what was done recently by the Acting Chief Justice of the Superior Court of the province of Quebec, Honourable Mr. Justice Dorion, who sat as a member of Parliament for many years. I think this case should be mentioned. It was the case of four soldiers, probably under the influence of dope, who had ill-treated—I will not go into the details—the mother of several children. The soldiers had abused her in many ways and even burned her body with cigarette butts. It was one of the worst offences one could think of. When those four drunken soldiers—bums—were in the box before the Acting Chief Justice of Quebec, he told them he regretted such an offence was no longer punishable by death, as they deserved death; and he condemned them to 85 years of imprisonment, and the whip, a very sound judgment.

It is time to stop undue leniency and complacency with regard to those who have no respect for law. That is my view. We have a book which contains laws which have been studied by both Houses of Parliament as well as by committees of Parliament and enacted in order to maintain order in this country. I remember Mr. Guthrie, a tall and impressive man. When as Minister of Justice he had to answer a question, he would say, "This is the law"—and then the Minister of Justice had spoken.

What is the use of having a Criminal Code if nobody pays any attention to it? With regard to the committee which studied the Criminal Code amendments dealing with capital murder, I told the Minister of Justice that I disagreed completely with that kind of legislation, but on the other hand, I congratulated him for the appointment of good judges.

I believe there are good judges on the bench in Canada, men who are conscientious and who are anxious that the law should be respected by all, so that women can go out on the street without being molested by purse snatchers or by scoundrels who would attack them. Such offenders should be punished as provided for in the Criminal Code. They should be put in prison and whipped. That is what Mr. Justice Dorion has done, and done very well, and he deserves to be congratulated. That is not all. There should be no commutation of sentence.

We have reached a time when the psychiatrists are above the Criminal Code, and when an atrocious crime is committed there is more sympathy for the offender than for the victim. It is always that way. The victim is dead; the parents, we do not hear of them any more, and the poor offender has to be punished. It is so sad. Let us shed tears—the tears of a crocodile, as Senator Sullivan said a moment ago.

Honourable senators, it is time to have order restored in this country, and order will be restored inasmuch as the attorneys general who have the responsibility for the administration of justice in each province do their duty, and inasmuch as the Government is not meek when cases of this kind come before them.

The sentences imposed by Mr. Justice Dorion upon four such offenders were very severe, but they were well deserved. He condemned one accused of twenty years of age to twenty-five years in the penitentiary, and to be whipped eight times on two occasions. To another one, also aged twenty years, twenty-two years in the penitentiary, to be whipped six times on two occasions. The third one, twenty years of age, twenty years in the penitentiary, to be whipped six times on two occasions. The remaining one, twenty six years of age, twenty years in the penitentiary,

to be whipped six times. It was not pleasurable, and I am sure that the judge was very sorry to have to apply the law, but he did so for the protection of Canadian women and everyone else in this country, to set an example. That case will serve as an example if we do not read in the papers in one year from now that those sentences have been commuted to ten years, and then the year after that those men have been released on parole.

This is not a pleasurable speech that I make now, but it is my duty as a senator of Canada to say to my colleagues what I think of the situation and what all those who know about it think of it.

To come back to the Doukhobors, why are they allowed to run around destroying bridges, bombing communities and all that, without any action being taken by the Government and by the attorneys general of the provinces where they commit those outrages? The law is there, and is to be observed for the protection of us and all our fellow citizens. It is a most unpleasant subject to deal with, but it has to be done and I have done it under the authority of a good judge, the Acting Chief Justice of the Superior Court of my province.

Now to conclude—and my conclusion will surprise you. I have a note here of what I said one day in the Senate, that psychiatrists were a plague to humanity. It is on record in *Hansard*, and I am not going to repeat it.

Here I have two envelopes addressed in my own hand. They contain the copies of *Hansard* with speeches delivered in this chamber by the honourable Senators Croll, Reid, Horner, Pearson, Roebuck, and Cameron. The envelopes are not closed, and I will add the *Hansard* of today. One envelope is addressed to the Honourable Robert W. Bonner, Q.C., Attorney-General, Victoria, British Columbia. The other is addressed to the Honourable Donald M. Fleming, Q.C., M.P., Minister of Justice. What I want you to understand, honourable senators, is that the speeches referred to form a case—a factum.

Honourable senators, there is the pro and con of the Doukhobor infringements and obstructions to the law. It is much better to inform the Government of British Columbia and its Minister of Justice of the work that has been performed by our colleagues in order to elucidate that matter and to induce the Attorney-General of that province to first accomplish his duty by giving an opportunity to the courts of his province to decide whether or not the Doukhobors are guilty of any offence. If he is unable to deal with this matter, and if the Government of British Columbia is unable to deal with it, let Premier Bennett get in touch with the federal Government and ask for its assistance. That is all. We have nothing more to do.

It was most kind and generous on the part of our colleagues who have spoken on this vital matter to have taken the trouble to do research and study. All that must be useful. The Senate has accomplished its duty. Let the Government of British Columbia now do its duty.

Hon. David A. Croll: Honourable senators—

The Hon. the Speaker: Honourable senators, the Honourable Senator Croll realizes that if he speaks now he will have the effect of closing the debate.

Hon. Mr. Croll: Honourable senators, may I first thank my deskmate, Honourable Senator Roebuck, for seconding the resolution that I presented to this house. I am not going to name all the senators who participated in the debate. Honourable Senator Pouliot did that for me. I thank everyone for participating, and for those who agreed with me particularly I give high marks. I had hoped when I introduced the resolution that an unbiased Senate committee would take a new look at this Freedomite problem.

Hon. Mr. Macdonald (Brantford): I would hope that all Senate committees are unbiased.

Hon. Mr. Croll: I am merely describing the committee.

Hon. Mr. Macdonald (Brantford): I do not think there should be a suggestion that some Senate committees are biased.

Hon. Mr. Croll: I did not make the suggestion; that is what you are reading into it. I thought that perhaps eastern eyes could see something new, something that would carry with it a real hope, that some of us would take a fresh look at this problem.

Hon. Mr. Farris: Do you think eastern eyes are better?

Hon. Mr. Croll: I don't know. It is worth a try, because you people of the west who have been looking at it for a long time have not done too well. You keep referring to it as a Doukhobor problem whereas, as a matter of fact, it is a Canadian problem about Doukhobors. I thought that history and events, as the record would indicate, proved that repression will not pay.

You will remember when I first spoke I made reference to a by-law that was passed by the municipality of Kent. I did not say much about it except to bring it to your attention at that time because it was under review by the court, but I would remind you about

it now when we talk about these lawless Doukhobors and Freedomites. I do not want to be misunderstood.

Kent municipality passed a by-law that prevented the Freedomites from entering their area, and the police immediately put up a road block. Now, whatever we may think of Freedomites, their right to use the public highway is unquestioned. Although the municipality gave the reason that it expected a breach of public order, that is neither a legal one nor a moral excuse because the principle that I asserted a few minutes ago is unassailable.

Hon. Mr. Aseltine: That is what the court found.

Hon. Mr. Croll: Yes, and I will come to that. If the municipality had been permitted to pass such a by-law, it could restrict the lawful activities of anyone.

Hon. Mr. Beaubien (Bedford): Who is lawful?

Hon. Mr. Croll: The lawful activities of anyone wanting to travel the highway. There was no breach, there was no suggestion of a breach, it was an anticipated breach.

The Attorney-General of British Columbia did not hold with the by-law. He refused to enforce it and spoke out publicly about it. He was criticized publicly, yet he was right. For that he is entitled to commendation.

When the bylaw was passed the Freedomites behaved themselves, they respected it, they did not ignore it. In spite of the fact that the municipality was acting illegally and had been so advised, and the Attorney-General of the province of British Columbia would not support the by-law, they abided by it. The matter went to the Supreme Court of British Columbia and Mr. Justice Norman Whittaker declared the by-law invalid as being discriminatory. It was only then that some of the Freedomites moved on.

You have heard the discussion today and contributions made by senators on other occasions.

This is not an easy problem, and there is no easy solution. These people are clinging to ingrained ideas, and from their actions one would almost think they courted martyrdom. If you are ever going to try to understand the problem, this is the time to do it.

My honourable friend, Senator Pouliot, told you today, in reading from the *Encyclopedia Britannica*—as I indicated to you on a previous occasion—that these people were originally pacifists. Suddenly we find that they have become dynamiters. Why? Surely, we can ask ourselves: Cannot that process be reversed, and cannot we find what caused the change? The Doukhobors in this country are assimilating slowly.

Hon. Mr. Dupuis: May I ask what their conduct was in Russia before they came here?

Hon. Mr. Croll: I might remind the honourable senator from Rigaud (Hon. Mr. Dupuis) that I covered that ground thoroughly when I originally spoke. They found life most uncomfortable there, and, as a result of the way in which they were repressed in Russia under the Czar, public opinion was aroused in Europe, and particularly among men of goodwill who were Quakers in the United States and Great Britain. They went to the highest authority in Great Britain and asked if they would not approach the Canadian Government for the purpose of giving these people a fresh opportunity in life. I am told that the British Government did approach the Canadian Government, and in its generosity it said: Yes, we are willing to do this, subject to certain conditions.

I did not gloss over these facts. I placed them on record when I first spoke on this matter, and I am not here excusing the lawlessness. They have been tried before the courts, they have been sentenced, and I have not attempted to excuse them for what they have done. I am trying to understand them and to determine what makes them tick that way. That is the problem. It is easy enough to hit them over the head, but that does not settle any problems. I repeat, the Doukhobors in this country are assimilating. I think the answer is that in some way we have to reduce the violence, not by repression but by an intelligent, informed approach, and at the same time doing everything we possibly can to bring about their complete assimilation. Social workers can do much more than the police in these circumstances.

We read about their plight in the press. Here are 1,300 persons living in conditions that, it is said, could not be any worse. I have in my hand a report from Hope, British Columbia, dated November 30:

> A medical health officer has warned that frozen water and sewer pipes will force Sons of Freedom Doukhobors out of their camp and added that there is danger of disease, fire and death . . .
>
> A number of elderly Freedomites live in a bake house and use only small camp stoves for heat.

These are Canadians living under those conditions.

Each time one mentions the Freedomite problem everyone wants to wash their hands of it, and everyone ducks. At times one would think I am the only one who has not enough sense to duck.

Hon. Mr. Connolly (Halifax North): Why are they living under those conditions in British Columbia?

Hon. Mr. Croll: British Columbia is the best place in Canada, according to—

Hon. Mr. Connolly (Halifax North): May I ask why they are living under those conditions?

Hon. Mr. Croll: My friend asks, why are they living under those conditions?

Hon. Mr. Connolly (Halifax North): Perhaps some of it is their own fault.

Hon. Mr. Farris: They are burning their own houses.

Hon. Mr. Croll: Yes, they are burning their own houses; they have made mischief for themselves. However, that does not absolve us completely from trying to help them in one way or another to avoid further mischief in that respect.

Hon. Mr. Choquette: Would you like to build them new houses and give them more matches?

Hon. Mr. Croll: I think that they should be fed if they are hungry; that clothing should be given them if they need it; and that they should have shelter too.

Hon. Mr. Aseltine: They would only take the clothing off again.

Hon. Mr. Croll: Well, if they did I suppose we would still be in a position to provide further clothing for them. I see no reason for not doing that.

I thought this was an opportunity for bold action on the part of the Senate. I find from the speeches made in this chamber that is not the case. I do believe that the debate we have held here and the discussion that has been generated must have some effect upon the problem. How soon it will manifest itself, I cannot tell.

There was a report in the *Globe and Mail* this morning which indicates that the situation has changed. I quote:

> A chartered bus containing 43 Freedomites was driven up to the front of the stately Legislative Buildings here shortly after lunch.

This report comes from Victoria, British Columbia.

> Late today, the bus had gone, but the Sons had not.
>
> Said a spokesman, Mrs. Marie Shlakoff: "We have no place else to go so we are going to stay here. We have brought our bedding."
>
> Not only was it raining, but the underground lawn sprinklers were turned on in front of the buildings. The Doukhobors had threatened to camp on the lawns until they got action from the Provincial Government.

I quote further:

> In a statement released after the brief meeting, Premier W. A. C. Bennett said the current unrest among the Sons was the fault of Works Minister E. Davie Fulton who, as Justice Minister, incarcerated Doukhobor terrorists in a special prison. Mr. Fulton is returning to British Columbia to stand for the provincial Conservative leadership.

Those are his words, and that is his statement. Undoubtedly, Mr. Fulton will become the next leader of the Conservative party in British Columbia, so it is of Mr. Bennett's own choosing that the issue is joined. Mr. Bennett has now made this a political issue in British Columbia. I do not believe that a Senate committee could function profitably in that sort of political climate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Croll: I do not think in the circumstances we are justified in injecting ourselves into that political scene. Naturally I am disappointed, but I am a realist, as I am sure all members of the Senate are, and it is with much regret that I ask permission of my seconder, and of honourable senators, to withdraw the resolution at this time.

The Hon. the Speaker: Is it agreed that the honourable mover and seconder have leave to withdraw the motion?

Hon. Senators: Agreed.

Hon. J. W. de B. Farris: Honourable senators, may I interject a few words at this time? Coming as I do from British Columbia, where I was formerly attorney general, and knowing something about these problems, while I am in hearty sympathy with the withdrawal of this motion, I think the honourable senator deserves credit for his thoughtful consideration of this matter.

Some Hon. Senators: Hear, hear.

Motion withdrawn.

INTERNAL ECONOMY

REPORTS OF COMMITTEE

The Senate proceeded to consideration of the first, second and third reports of the Standing Committee on Internal Economy and Contingent Accounts.

FIRST REPORT ADOPTED

Hon. L. P. Beaubien, Chairman of the committee, moved that the first report of the committee be approved.

Report adopted.

SECOND REPORT ADOPTED

Hon. Mr. Beaubien (Bedford) moved that the second report of the committee be adopted.

Hon. Donald Smith: Before the motion is passed, would Senator Beaubien (Bedford) be good enough to explain to us the reasons for the retirement of Mr. Potvin? Is he being treated as all other servants of the house are treated?

Hon. Mr. Beaubien (Bedford): Honourable senators, Mr. Potvin, who was a Senate charman, was partially disabled in World War I and he has since become further disabled. As a result, he has not been able to continue working and we have had to retire him. Your committee has gone into this matter thoroughly and has arrived at the best arrangement possible under the regulations.

Report adopted.

THIRD REPORT ADOPTED

Hon. Mr. Beaubien (Bedford) moved that the third report of the committee be adopted.

Hon. Donald Smith: Before the motion is passed, would the honourable Chairman of the committee answer the same question with regard to Mrs. Barr?

Hon. Mr. Beaubien (Bedford): It is all in the report and it is not complicated. Mrs. Barr is being retired, and your committee have recommended that she be granted a gratuity of $120 a month. This is based on the usual formula which I think is quite clearcut.

Hon. Mr. Smith (Queens-Shelburne): I wondered whether Mrs. Barr had reached the usual age at which charwomen retire and whether the allowance given is in accordance with the custom of the house. I think the house should have that information.

Hon. Mr. Beaubien (Bedford): I do not think Mrs. Barr has reached the age where she has to be retired, but she has had sixteen years' service and she is not in good health. The committee has given what is permitted under the regulations.

Report adopted.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

(*See* p. 369)

JOINT COMMITTEE ON THE LIBRARY OF PARLIAMENT—1962

Your Committee met on December 4, 1962, and begs to submit the following recommendations:

(1) That the submission presented to Treasury Board on 18 April, 1962, with respect to the following positions, be hereby approved effective April 1, 1962.

(a) that position LP-A-9, Library Accountant ($4,860-$5,400), be reclassified as Library Administrative Officer ($5,460-$6,180).

(b) that position LP-A-13, Library Clerk 3 ($4,200-$4,740), be reclassified as Library Supervising Clerk ($5,100-$5,640).

(c) that Miss Barbara Brown, Cataloguing Librarian 1 ($4,560-$5,160), be promoted to Cataloguing Librarian 2 ($5,160-$5,940).

(d) that Mr. F. P. Scriver, Library Clerk 2 ($3,870-$4,320), be promoted to Library Clerk 3 ($4,200-$4,740) at an initial salary of $4,380.

(2) That when Parliament is not in session, either through prorogation or dissolution, the Speaker of the Senate and the Speaker of the House of Commons be authorized to deal jointly with appointments, up-gradings, promotions, and other matters relating to the staff of the Library of Parliament, and all other administrative matters, subject to ratification of both Houses of Parliament at the next ensuing session.

All of which is respectfully submitted,

George Stanley White
Speaker of the Senate

Marcel Lambert
Speaker of the House of Commons
Joint Chairmen

APPENDIX "B"

(See pp. 369-73)

THE SPECIAL COMMITTEE OF THE SENATE

ON

LAND USE IN CANADA

The Honourable Arthur M. Pearson, Chairman

The Honourable C. Vaillancourt, Deputy Chairman

REPORT OF THE COMMITTEE

for

Fifth Session, Twenty-fourth Parliament, 1962

SCHEDULE

List of Witnesses, 1962 Session

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SUMMARY

This report is a summary of the briefs presented to the Special Committee of the Senate on Land Use in Canada during the last session of Parliament. The objective of the Committee was to stimulate and promote the initiative and interest of administrators and local groups in the ARDA program, to get an insight into the progress and direction of economic development proposals in the provinces, and to study the critical role of rural extension and the organization of local area committees in the furtherance of this program. The briefs were directed to this end. Some of the highlights of the proceedings are noted here.

Preliminary plans and proposals under the ARDA program were presented to the Committee. Cost-sharing federal-provincial projects envisaged putting some rural lands to more productive use as well as soil and water conservation programs and general rural economic development. These are being incorporated into a three-year federal policy program. Some of the projects are viewed as pilot.

Witnesses from two provinces that have made a start on rural development programs stressed the need for detailed research and study in long-range planning; vocational agricultural training and training to upgrade the skills of farm people for off-farm jobs; development of soil and water resources through ARDA to facilitate efficient agricultural production and rural industrialization; and switching of submarginal cropland to more appropriate alternative uses such as grazing, forestry and recreation. The organization of local area committees was viewed as essential for sustained economic development of rural resources.

The availability of more farm credit and more technical information including farm business management for farmers was urged to enable the efficient operation of economic units. To this end a rural development fund, which would especially apply in high risk marginal areas, was proposed by a rural settlement society.

The role of the extension service and the individual extension worker was viewed as critical to the success of the ARDA program. It was believed that a new kind of rural development extension agent with a background in agriculture, trained in organization of community activities and group dynamics, ability to motivate and stimulate local leadership and action was needed. He should be backed by specialists with technical knowledge of resource use in agriculture and other industries to help rural residents organize and carry out the kinds of improvement projects which they desire.

Wednesday, December 5, 1962

The Special Committee of the Senate on Land Use in Canada make their second report as follows:

The Committee presents herewith a summary of the proceedings held during the last session, i.e., the Fifth Session, 24th Parliament, 1962.

I. ORDER OF REFERENCE

The following resolution was adopted on February 7, 1962, by the Senate:

"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 agricultural production and the incomes of those engaged in it;

That the Committee be composed of the Honourable Senators Basha, Bois, Boucher, Buchanan, Cameron, Crerar, Emerson, Gladstone, Higgins, Hollett, Horner, Inman, Leonard, MacDonald, McDonald, McGrand, Methot, Molson, Pearson, Power, Smith (Kamloops), Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Veniot, Wall and White;

That the Committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers, and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the six preceding sessions be referred to the Committee."

A Steering Committee was appointed as follows: Honourable Senators Pearson, Stambaugh, Smith (Kamloops), Taylor (Westmorland), Taylor (Norfolk), and Vaillancourt.

Senator A. M. Pearson and Senator C. Vaillancourt were appointed chairman and vice-chairman, respectively.

II. COMMITTEE PROCEDURE

During the session a total of five meetings were held and eight witnesses were heard. There were 130 pages of evidence presented to your Committee.

The Committee directed and focussed its efforts towards the attainment of public interest and attention on the Agricultural Rehabilitation and Development Act, hereinafter called ARDA, by acting as a forum. Witnesses were requested to present briefs dealing with the basic land use, economic and social problems of their area, the institutional and organizational aspects involved in fostering

local rural leadership and initiative, the stimulation of rural planning and development, and, in particular, the rehabilitation of low income areas. This course of action was taken with the view of assisting the Federal Government in starting the ARDA program through the free expression of improvement needs and proposals. The Committee was particularly concerned with the matter of ensuring the support and participation of rural citizens in the development of projects desired and needed by the people themselves. This is a very real extension problem and critical to the success of the Program in the long run. Your Committee feels that it can take much credit in placing the need for a rural resources development program before the federal Government and can provide a service by following up on the action phase of the Program. The briefs were, therefore, devoted to a review of the organization and initial development stages of the ARDA program and its joint relationships in alternative land use, rural development and soil and water conservation activities with the provinces. Further briefs concerned the preparations of two provinces, one in Western Canada and the other in the Maritime Provinces, for co-ordinated and joint federal-provincial projects; the experience of a rural settlement organization; and the theoretical considerations pertaining to extension or educational principles and administrative responsibilities or implications with respect to ARDA of a professional extension organization.

It was the intention of your Committee to call witnesses to describe the state and incidence of rural taxation in different parts of the country. This subject was recommended in the last report of the Committee (see proceedings No. 11, June 28, 1961—recommendation No. 5 (b)) as one of six specific problem areas singled out for research and study by the Committee. It was planned that the witnesses would outline the principles of rural taxation and assessments, the systems in use, the problems of inequity, the burden on real property and other problem phases of rural taxation. This would be preliminary to the conduct of basic research by technical persons employed by your Committee. This part of the agenda was not, however, undertaken.

The activities of your Committee in this session were largely confined to the promotion and maintenance of interest in the ARDA program in all its phases and ramifications. No recommendations were made by your Committee at this time. It is the hope of your Committee that the circulation of the proceedings will serve the purposes it had in mind of stimulation and motivation. The following sections present the highlights of the information submitted by the witnesses.

III. A PROGRESS REPORT OF THE EARLY STAGES OF THE ARDA PROGRAM

An oral submission was presented to your Committee by the Director of the Agricultural Rehabilitation and Development Act, who had only been in office slightly over two months. He pointed out that the various kinds of programs and projects possible under the terms of the Act must be carried out jointly between the federal and provincial governments through specific project agreements. The actual physical arrangements of projects may be carried out jointly or the federal Government may co-operate only through the provision of financial assistance. There is one area of activity provided in the Act in which joint federal-provincial financial cost-sharing is an exception and not mandatory. The federal Government may conduct research strictly on its own as well as on a joint basis with the provinces.

It was explained that exploratory and informal meetings had been held with representatives of the provinces for the purpose of clarifying the objectives and basic aims of the legislation and to develop the policy on a joint co-operative basis in line with needs and desires of each government level. In most cases the provinces have already set up interdepartmental co-ordinating committees concerned with the kinds of projects possible under the legislation. Keen interest on behalf of the provinces was noted and a large number of projects and programs were proposed for consideration and agreement under the Act.

Project Proposals

With the help of these federal-provincial administrative discussions and the submissions of the provinces, a federal policy statement on the application of the ARDA program within the next two or three years was being drawn up.

The kinds of projects proposed by the provinces were:

(a) Section 2 of the Act—alternative use of land—in terms of maintaining land in some appropriate use, not idle or permitting abandonment

(1) projects to establish association, group or community pastures on lands considered to be submarginal or marginal for cultivation

(2) projects to establish pastures on individual farmer-owned marginal cropland

(3) projects to acquire marginal or other related lands for forestry purposes—provincial crown forests, municipal forests, county forests or other public forestry management areas

(4) projects to acquire marginal lands for assembly to lease to adjacent farmers for forestry purposes and promote establishment of diversified economic forest farm units

(5) projects for the acquisition and planting to trees of lands that are designated as marginal or submarginal agricultural lands

(6) projects to assist in the establishment and maintenance of farm woodlots, including assistance in planting, thinnings, access trails to woodlots, management, planning and other woodlot extension services

(7) projects to acquire marginal lands for recreational needs, particularly in areas close to large urban centres

(8) projects to acquire marginal lands for public shooting areas, wildlife management areas or to lease or acquire easements on such lands from farm owners for public use

(b) Section 4 of the Act—soil and water conservation of good agricultural lands

(1) projects for the drainage of good arable farm lands

(2) projects for the protection of such lands from flooding, including dykes, main ditching systems, stream improvement, flood control dams

(3) projects for the supply of water for agricultural purposes, including water storage, dams and dugouts

(4) projects for shelter belts and other such soil erosion control measures

(5) projects for stone removal on good arable land, also grassing and terracing to prevent erosion

(6) projects to maintain water levels for stability of agricultural production and related flood control, wildlife and recreational purposes

(7) projects to provide for engineering studies, cost-benefit studies or other studies related to projects proposed in this section of the Act

(c) Section 3 of the Act—rural development

(1) projects to establish rural development areas

(2) projects for pilot area studies

(i) studies of present land use and land capability for various purposes

(ii) studies of resource use or resource development opportunities for increasing income

(iii) studies of soil and water conservation project needs

(iv) rural sociological studies

(v) agricultural economic studies including marketing, employment, labor, underemployment and vocational training needs

(vi) studies of off-farm employment and industrial development opportunities.

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Some of the provinces suggested the above kinds of intensive pilot studies in rural development areas where low incomes are prevalent and in which local committees would be set up. The results of these studies will be presented to local committees in such a way as to be understood in devising appropriate projects to improve employment and income opportunities and living standards. It is hoped that blueprints or proposals for development of the particular area will emerge from the deliberations of these committees.

Through technical and financial facilities co-ordinated through ARDA, programs for the better use of land and improvement in use of good agricultural land by soil and water conservation measures will be applied. Technical and financial assistance will be focussed on local areas through an integrated attack on local economic development.

Organization and Co-ordination

A relatively small headquarters staff of ARDA was planned to direct, organize and co-ordinate the various existing agencies at the federal and provincial government levels. An interdepartmental co-ordinating committee at the federal level is planned to function at two levels, (1) at the Deputy Minister level to consider broad policy matters, and (2) at a senior officer working level to consider and appraise provincial program and project proposals and to advise on project execution.

It has been proposed that the P.F.R.A. organization in Western Canada and the M.M.R.A. organization in the Maritime Provinces form the operating arm of ARDA to deal with negotiations and joint inspection, and to carry out joint federal-provincial projects. At the time of the hearing there was considerable indication that they were taking an active interest in the development of the ARDA program. Under the terms of the Act the lines of communication with local areas and committees will be through the provincial co-ordinating body or its agents.

IV. ARDA-TYPE RURAL RESOURCE PROGRAMS IN TWO PROVINCES

(a) Rural Development Approach in Manitoba

The Rural Development Specialist for the Manitoba Department of Agriculture and Conservation dealt with ways and means of promoting positive thinking and action with respect to rural development in general and ARDA in particular in this Province. He considered that there were two broad approaches to rural development. The first of these was the liberal provision of capital in order to develop what really amounted to a completely new resource. The second alternative was a "bootstrap" approach whereby

people are given assistance, primarily technical, in order to develop their resources. This is the basic extension philosophy of helping people to help themselves.

The general public is generally inclined to view a program, such as ARDA, as of the first type while public administrators tend to regard government assistance as technical help only. The types of programs to be developed under ARDA were suggested as falling between the two extreme categories. In addition to the provision of more technical assistance, development capital is needed. This development capital should not be government handouts in the form of a series of stop gap programs but rather funds for planned long range development of the resources at hand.

In dealing with rural development, it is unrealistic to try and solve the economic problems in a narrow setting of relatively small marginal or submarginal areas. These areas should be considered as a part of a larger region including other areas with more resources, often non-agricultural, capable of development. Economic development can no longer be attained in terms of primary resources of agriculture, forestry, fisheries, etc. The utilization of these resources must be related to industrial development to permit wider employment and income opportunities.

Organization of an Interdepartmental Committee in 1961

An interdepartmental committee was set up in 1961 in Manitoba under the direction and guidance of the Minister of Agriculture to formulate a list of proposed ARDA projects. Two sub-categories composed of research and investigation projects and physical projects were proposed in each of the major categories of alternative land use, rural development and soil and water conservation.

Emphasis on Research

Since ARDA is primarily a long range, fundamental program a great deal of detailed information is required. Thus research projects in such fields as soil surveys, farm ownership, rural sociology and hydrology are needed to develop multiple use programs. A considerable amount of research work was at hand in these fields and the provincial committee felt able to propose action on several physical works, including a land purchase program in certain marginal areas, reorganization of certain currently marginal agricultural land into more effective agricultural use including livestock and expansion of the community pasture program. The provincial committee recognized a basic problem of underemployment in agriculture especially in the marginal areas, and proposed an educational program in one area to retrain some of the people for non-farm employment.

To prepare the people in local rural areas for participation in the ARDA program, a one week course for 25 rural leaders was held to acquaint them with the details of the ARDA program, the general philosophy of rural development, and the application and implications on local community development. In one area an advisory committee of five local residents and five governmental representatives of major resource fields has been set up and is working toward the maximization of a long range program based on involvement of all local people.

Rural Development Through Industry, Business and Tourist Expansion

The activities of the regional development program under the Provincial Department of Industry and Commerce were described by the Director. This body has the broad objective of securing the proper development of the physical and human resources to provide the needs of the people through productive measures to put permanency and stability into the regional economy.

The concept of the regional development program in this province is consistent with the community development approach employed in the United States through the Rural Areas Development and the Area Redevelopment Administration Programs of the Departments of Agriculture and Commerce, respectively. It also has similarity to the concepts of rural development which are implied in Section 3 of the Canadian ARDA Act. It is believed that the prime way to help in the development of rural and urban areas of the Province is through the introduction of secondary manufacturing and processing industries, business developments and tourism and recreation. The program is premised upon the initiation of self-help at the local level supplemented where feasible by government assistance per se in the role of a development promotion agency to interest out-of-province investors to establish in the Province. It depends upon close interdepartmental cooperation and partnership with local development agencies for economic progress and social improvement.

The first major step in the program to stimulate and assist regional development is the preparation by expert consultants employed by the Government of a broad economic inventory and analysis of human and physical resources of a region. It concerns the extent of the region's resources, the significance of each resource, overall opportunities

for economic growth, and particularly opportunities for industrial expansion in the broadest sense. The development opportunities recommended in these economic surveys involve agriculture, forestry, industry, business and tourism.

Local Development Organizations

The organization set up to enlist the cooperation of the people in the region is responsible for carrying the program forward. Conferences and workshops are held to present the facts of the economic survey, to give the local people an opportunity to present their views as to the development potentialities and to stimulate local leadership. This is followed by the completion of an evaluation form by the community. Four types of community surveys are used and are referred to as community data, drawing power, industrial impact, and industrial location. These are valuable and useful tools in promoting, stimulating and assisting industrial development.

Three kinds of local development organizations are found throughout the Province. Under the Companies Act as amended in 1958, community development corporations or quasi-public bodies can be formed to act as local development agencies. They are a formal and legal framework through which municipal leaders, farmers and businessmen can work together to solve common problems and assist in the initiation of industrial projects. In addition to their functions to publicize industrial opportunities, stimulate business and industrial expansion, provide information and make business contacts, the most important role is the power to raise funds to assist industrial establishment. This latter power has been employed recently in a number of cases to provide buildings for an industry, usually under a lease-purchase arrangement. The second kind of local development organization includes a chamber of commerce or a board of trade. Recently other organizations have been established, which are unincorporated, under the name of Civic Affairs or Development Committees. If these latter two bodies are successful in stimulating interest in retail or service commercial activities or tourist attraction or any kind of local development project, then a corporate body, as outlined above, is established. The third kind of local development organization which has grown up of late is an area development association. These associations are of a regional nature and include representatives from a relatively large number of rural and urban municipalities. They are comparable with area committees as envisaged under ARDA with various study sub-committees such as beef, swine, dairy, sheep, grain, special crops, allied agricultural industries, credit, linear programming and public information. Other non-agricultural committees include forestry, recreation, employment, and vocational training.

An important agency with respect to growth of industries and tourist facilities is the Provincial Development Fund. Its purpose is to provide financial assistance to new and existing manufacturing industries, tourist and recreational facilities and to community development corporations. While the source of funds of this agency is the provincial government, it is administered by an independent board of directors. It does not compete with banks or other private lending institutions but rather supplements their activities.

Another service of the Regional Development Branch is a town and rural planning service which provides technical information to municipalities and works directly with local planning commissions. This body helps local people to assess the community problems and formulate future plans for action to assure the best possible overall development of the area.

The experience in area economic development has met with far greater success when an effective development group has been set up. The common needs of every class of people in a community in terms of employment, industrial development, more income, municipal services, new development capital at the farm, processing and service industry level simplify the task of drawing the various segments of the community together through co-operative effort.

The Relationship of ARDA to the Provincial Regional Development Program

The relationship of ARDA to the regional development program is viewed as complementing each other and meshing perfectly. A major part of ARDA is concerned with the development, adjustment and use of natural and human resources upon which rural industrialization depends. Rural industrialization in an agriculturally-oriented province can be built upon a framework of raw agricultural products, adequate water supplies and underemployed farm people. The efforts of the Regional Development Branch are compatible with the economic and social aspirations of rural communities which can be aided and abetted further through ARDA. A key point with respect to assistance to local development committees is the provision of a sort of rural development specialist or regional coordinator, with experience in local involvement and motivation, access to technical knowledge of local resource use in agriculture and other industries, and ability to stimulate gainful employment in those kinds of production demanded by a maturing economy.

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(b) Rural Development Launching Steps in Prince Edward Island

The early phases of the rural and community development program was outlined in a brief presented by the Director of Research of the Prince Edward Island Department of Industry and Natural Resources. The program became effective on January 1, 1961 and the launching steps were relatively simple. These were, (1) analysis of the physical economic and social conditions of the normal and natural regional boundaries coinciding with the existing regional high school areas centering on a key centre, (2) selection of a sponsoring group in each area, and (3) preparation of a list of institutions, organizations and leaders in agricultural, business and civic affairs active in each area. Invitations were sent to leaders and representatives of the area organizations to attend a meeting at which the overall provincial program was discussed. An opinion survey was then used to obtain some community and personal attitudes followed by a declaration of program agreement and support of the local participants.

Those attending the meeting were asked to pursue a study course, to take part in an area-wide survey of physical and human resources, and to serve on one of 18 different sub-committees in such fields as agriculture, fisheries, recreation, tourism, education, public health, small business, new industry, rural beautification, etc. Out of 150 people co-operating in the study course, 130 were graduated at a formal ceremony and about 70 per cent agreed to carry out all three steps. The remaining group were asked to bring an additional person to a group meeting at which the survey was initiated. The prime purpose of this survey was to investigate the physical and human resources mainly in terms of ideas, aspirations, hopes and needs; kinds of talents and skills; employment opportunities; training requirements. The survey returns justified the belief that people in local rural areas have worthwhile thoughts and ideas for the improvement and development of the local economy. The intent is to derive and set reasonable, sensible and practical long and short-range goals, specific fields of community activity and even to suggest project priorities.

Those in charge of the provincial resources development program have catalogued the provincial and federal technical experts from which scientific and technical knowledge and skills might be sought and made available to local groups. In this context and with respect to the ARDA program it was emphasized, first, that complete co-ordination of technical assistance between federal departments was essential as well as an understanding between the provincial and federal departments on the availability of technical people, and second, local and provincial groups were encouraged to refrain from appealing for financial assistance from the federal treasury only after every other possibility of local effort has been exhausted, or in the case of worthwhile projects when no known local solution exists.

After the provincial program got underway a forty-four man provincial development council was formed representing virtually every economic and social strata of the Province. Their duty is to counsel, to guide and direct the program.

Suggested rural development guidelines

Several guidelines were suggested with regard to the administration of the Agricultural Rehabilitation and Development Act. These were as follows:

(1) community and area development calls for a broad and carefully planned adult education effort. All development problems are basically a matter of adult education or extension concern.

(2) the rural development phases of ARDA are so broad and so varied that operations at first should be instituted on a pilot basis.

(3) the availability of federal technical help should be given very careful consideration. The creation of a federal extension service embracing field men and women with a background in agriculture and trained in organization, group dynamics and community action was believed to be essential by the witneses.

(4) a nationwide training program should be launched through the use of materials, radio, television and newspapers.

(5) an urgent need for information on mechanics and operational plans of ARDA pertaining to kinds of specific projects and methods of determination and lines of communication.

V. THE EXPERIENCE OF A RURAL SETTLEMENT ORGANIZATION

A brief was presented to the Committee outlining the principles of Catholic social doctrine that a rural settlement organization is attempting to put into practical application. This rural settlement organization, La Société Canadienne d'Etablissement Rural, resulted from study sessions held by a group of priests, laymen and sociologists in 1946, who held that some organization was needed to co-ordinate efforts to improve conditions in rural agricultural areas. The organization which emerged was composed of representatives of regional rural settlement societies, rural settlement credit unions, diocesan colonization societies, rural youth movements, agricultural

associations and rural leaders. It carries on a program of disseminating information on rural life, of stimulating farm leadership and of inciting the development of a few pilot projects.

Reference was made to the position of the Catholic Church as outlined in the Encyclical issued by the Pope dealing with current rural problems. The problems of depressed economic sectors such as in agriculture, and of "underdeveloped regions such as are found not only from country to country but also within individual countries" constitute an important part of this Encyclical.

The Fundamental Problem in Rural Areas

The fundamental problem with regard to agriculture as a depressed sector of the economy was expressed as follows, first, how to proceed in order to reduce the relative disproportion in productive efficiency between the agricultural industry and the rest of the economy, secondly what to do to raise the level of living of the rural farm population to that attained by city dwellers, and thirdly, how to assure that farmers can assert and develop their personalities and look to the future with confidence.

In light of the above conceptual problems, it was pointed out that the Senate Land Use Committee had demonstrated the necessity of renewing the local economies of the depressed or underdeveloped rural regions across Canada. Essential agreement was expressed as to the basic tenets of the ARDA program.

With respect to the federal legislation embodied in the Agricultural Rehabilitation and Development Act, a view was expressed in the brief that the rehabilitation and development aspects should first take into account the physical, social and economic conditions of individual regions and the resultant projects be formulated and carried out on a regional level. This view meshes with the concept of the Senate Land Use Committee to utilize the community development approach entailing the tripartite collaboration of the local units of government, the municipalities, as well as the federal and provincial governments. The basic question is, what do rural people want their government to do rather than, what the government should do to or for rural people?

Concern was expressed over the apparent unawareness and lack of the role of conservation in rural renewal programs by Canadians. The Societe supported a program of basic research, including social and demographic research, which would precede the launching of pilot projects and the fostering, encouragement and training of local leaders to the full extent of facilities in Canada.

Retention of the Family Farm Concept Urged

The retention of the belief in a closely-knit family-type farm was urged in this brief. The extension of this ideal situation to a 'community of persons' involving a number of farm units with a common interest and relationship was also proposed. This phenomenon of grouped individual family farms was carried further through reference to agricultural co-operatives, and it was suggested that this type of structure offered a more definite guarantee for the survival of the family farm than other forms of organization.

Need for more farm credit and technical information

Methods in agriculture are changing rapidly. Mechanization compels farmers to modernize involving increased investment. This underlines the need for more farm credit and more technical knowhow. More research in the area of farm management was urged as well as other related areas of estate management and family transfer arrangements. In these respects your Committee strongly concurs.

Based on the resettlement experience of farm families both as individual units and as a group, the Société considered that present-day credit facilities were inadequate to satisfy the needs in the high risk marginal areas and suggested that ARDA should set up a rural development fund. This fund should first provide guarantees for the basic investment of private capital in the form of bonds or debentures to stimulate private investment, and secondly, provide interest rebates on farm loans for settlement, development and improvement, as in the case of Quebec Farm Loans Act, and provide government-approved and community processing plants for agricultural and forest products.

The establishment of local action co-operatives composed of all organizations, groups, businesses and local units of government in each church diocese was urged. This organization would put into practice the recommendations resulting from the research and planning groups. The experience of La Société in fostering these developments suggests that if the two types of organization maintain close liaison, excellent co-ordination should result. This parent organization acts in the role of a co-ordinating and liaison agency between corresponding organizations in different parts of the country.

The publication of a loose-leaf Atlas of Rural Canada was recommended, which would contain precise scientific, social and economic data. These data should be made available to all concerned and constantly kept up to date.

VI. EXTENSION PRINCIPLES AND ADMINISTRATIVE IMPLICATIONS FOR ARDA

Three members of a professional organization, The Canadian Society of Rural Extension, having the objective of advancing the standards of research and education in rural extension in Canada and of encouraging professional improvement among extension workers, presented a brief to the Committee.

The first part of the brief included comments on the Agricultural Rehabilitation and Development Act and referred to it as a sound and timely program which provided a new focus and hope for the development of rural communities and introduced a co-operative approach to resource development among the different tiers of Government.

The New Extension Challenge

The philosophy and primary job of ARDA posed a great challenge to those engaged in extension activities. They considered that the purpose of ARDA is to stimulate change and adjustment and to bring about improvements in rural living.

While the duty of extension workers in the past has been to provide answers to individual farmer's production problems and to teach production and management skills, the new challenge is now primarily related to the establishment of goals, motivations and capacities for self-help projects of individuals and communities, and help to improve the character of whole communities. The fundamental principle of ARDA is to develop self-help programs in rural areas but the witnesses cautioned that activities should not be limited to purely agricultural possibilities.

This brief was organized along three lines, principles of extension, administrative responsibilities or implications of extension, and the way in which ARDA may fit into these principles and implications.

Principles of Extension

Nine principles of extension were outlined to the Committee. In brief summary these were as follows:

(1) full cognizance must be taken of existing local organizations, institutions and agencies in order to deal effectively with people at the grass-roots level on a self-help basis.

(2) to obtain interest, support and participation of the people, the objectives of any program must be clearly understood.

(3) a well-directed extension or educational program is essential to bring about changes in knowledge, attitudes, skills and practices.

(4) extension, which is the major channel of communication, should have full information on research findings, trends and rural needs to facilitate a two-way flow of information between research and the public.

(5) a well-balanced extension program including production techniques, marketing, management, leadership development, youth work, community improvements and social and cultural interests, should be democratically developed and oriented to the needs of the community.

(6) a good extension program should be long-range and be ready to meet anticipated problems.

(7) the extension field staff should have a well-balanced training in the physical, biological and social sciences. It should be supported by competent subject-matter specialists.

(8) there should be close association between researchers, administrators and extension personnel.

(9) there should be research into the different types of organizations, teaching techniques and methods so as to evaluate and measure the achievements of the extension activities.

Administration Phases of Extension

In order to facilitate the administrative structure of an extension program, the objectives representing financial, social and cultural goals should be clearly defined. Also to minimize gaps and misunderstandings in the extension process, the roles, responsibilities and contributions of each participating agency should be clearly set down and accepted. Another important suggestion, which has been repeatedly impressed on the Committee by several witnesses, was the establishment of advisory committees. These committees would establish the local and regional needs of rural people and co-ordinate all community development. The proposed composition of these advisory committees would include representations from the local communities, extension agencies, research and teaching institutes and various levels of government. The provision of a high quality well-trained extension staff was regarded as necessary.

The real problem ahead in the ARDA program is the development of people, to interest and involve them, to raise their objectives, to change their farming practices and to use the available technical information. This is also the same challenge facing Extension. The objectives would be to broaden the scope of the ARDA program rather than restrict it to production-type projects. More information and research is

needed on the factors associated with decision-making, planning programs and measuring achievements in order to apply the principles and administrative implications of extension to the ARDA program.

Extension Staff Requirements of ARDA

It was felt by the three witnesses of this professional organization that the assignment of additional duties of the ARDA program to the present provincial extension staffs was impossible with the current schedule of work. Two requirements must be met to implement the extension activities needed by ARDA, first, additional extension staff, and second, a concerted effort to upgrade the training of the present extension staff. All federal assistance to extension should be extended through the present provincial services. A strong plea was made by one of the witnesses for the provision of federal financial assistance for the training of extension personnel, community leaders and farmers along with other carefully-planned research and program projects. This would be the best means of achieving the objective of better rural living.

All which is respectfully submitted.

Arthur M. Pearson,
Chairman.

SCHEDULE

LIST OF WITNESSES APPEARING BEFORE THE SPECIAL COMMITTEE OF THE SENATE ON LAND USE IN CANADA

Fifth Session, 24th Parliament, 1962

Printed Proceedings No. 1

Agricultural Rehabilitation and Development Administration, Mr. A. T. Davidson, Director.

Printed Proceedings No. 2

Manitoba Department of Agriculture and Conservation, Dr. G. Albert Kristjanson, Senior Rural Development Specialist.

Manitoba Department of Industry and Commerce, Mr. Roger B. Truemner, Regional Development Branch.

Printed Proceedings No. 3

La Société Canadienne d'Etablissement Rural, Mr. Jean-Baptiste Lanctot.

Printed Proceedings No. 4

Prince Edward Island Department of Industry and Natural Resources, Mr. Hartwell Daley, Director, Division of Research.

Printed Proceedings No. 5

Canadian Society of Rural Extension, Dr. W. A. Jenkins, President; Mr. Lloyd W. Rasmusson, Vice-President; Dr. L. C. Paul, Secretary-Treasurer.

THE SENATE

Thursday, December 6, 1962

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

Prayers.

HON. ARTHUR L. BEAUBIEN

FELICITATIONS ON FORTY-FIRST ANNIVERSARY IN PARLIAMENT

Hon. W. Ross Macdonald: Honourable senators, before the business of the house is proceeded with, may I be permitted to say a few words. I do not often refer to anniversaries, but this is a very important day in the life of one of our colleagues. It was forty-one years ago today that the Chief Opposition Whip, the Honourable Arthur L. Beaubien, was first elected to Parliament, and he has occupied a seat, first in the House of Commons and later in the Senate, ever since.

I am sure we all extend to him our hearty congratulations. May I, on your behalf, express to him the wish that he may continue to be with us for many years to come.

Hon. A. J. Brooks: Honourable senators, I am very glad to learn of this happy event in the life of my good friend, the honourable Senator Beaubien. Like the Leader of the Opposition (Hon. Mr. Macdonald, Brantford), I seldom refer to anniversaries, particularly my own, because they come all too quickly.

I have known Senator Beaubien perhaps as long as anyone in this chamber. I had the honour to be with him in the House of Commons for some years, and I always knew him as a good debater. He was a man who said what he thought; and if he disagreed with you he would hit you pretty hard, but always with a smile. He has served with distinction on many committees in the House of Commons as well as in the Senate. My friend Senator Choquette told me a moment ago that on his many trips abroad Senator Beaubien was always rugged, and seemed to be the "life of the party". It occurred to me that perhaps the less said about that the better, because it might get into the press.

Honourable senators, I congratulate my good friend Senator Beaubien, and like the Leader of the Opposition (Hon. Mr. Macdonald, Brantford), I wish him many more years of activity.

Hon. Arthur L. Beaubien: Honourable senators, I want to thank my leader (Hon. Mr. Macdonald (Brantford) and the Leader of the Government (Hon. Mr. Brooks) for the kind words they have expressed on my behalf.

As the Leader of the Government has said, we were together in the House of Commons for many years and we developed an intimate friendship. Our association in the House of Commons and for the past twenty-two years in the Senate has been a most pleasant memory. After all, the associations one makes in the Parliament of Canada compensate for the difficulties encountered in ones own riding. However, the difficulties I have encountered in Provencher, which I have represented for a great many years, have not been numerous. I had the good fortune in 1926 of being elected by acclamation. When I came back to Ottawa in November of that year friends asked me, "Beaubien, how did you do it?" I said, "Well, there are two ways of running an election, the honest way and the other, and I used the other."

Hon. Mr. Brooks: Those were the good old days.

Hon. Mr. Beaubien (Provencher): Referring to my travels abroad, the Leader of the Government (Hon. Mr. Brooks) intimated that I was the life of the party. I think the activities that I engaged in along that line were always in the dark and away from the press.

Again, I thank you all.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-438, for the relief of Marie Aleta Meerovitch.

Bill SD-439, for the relief of Barbara Ann Sobrian.

Bill SD-440, for the relief of Marie Marguerite Nicole Fraser.

Bill SD-441, for the relief of Elizabeth Gray.

Bill SD-442, for the relief of Iva Baumgartner.

Bill SD-443, for the relief of Eileen Myrtle Burns.

Bill SD-444, for the relief of Donat Theriault.

Bill SD-445, for the relief of Anita Margaret d'Esterre.

Bill SD-446, for the relief of Daisy Emily Dorothy Ryan.

Bill SD-447, for the relief of Elizabeth Peck.

Bill SD-448, for the relief of Giovanni Pallotta.

Bill SD-449, for the relief of Lise Hogue.

Bill SD-450, for the relief of Millicent Vera Seagrove.

Bills read first time.

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

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

Motion agreed to.

PRIVATE BILL

THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-16, respecting The Imperial Life Assurance Company of Canada, and had directed that the bill be reported with the following amendment:

> Page 1, line 10: delete "compagnie" and substitute "Compagnie".

He said: I should perhaps explain to honourable senators the reason for the change made in this bill. It has relation to the French title that the company wished to obtain. In the bill the word "compagnie" was spelled with a small "c," and it has been changed to "Compagnie" with a big "C". I understand that in the House of Commons in several other instances of a similar nature they have insisted on the word "compagnie" being spelled with a big "C". We thought in our committee that it was not a matter of sufficient importance to warrant a dispute between the two houses.

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

Hon. Mr. Hugessen: With leave, I move that this report be adopted now.

Report adopted.

THIRD READING

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

Hon. Mr. Choquette: Honourable senators, with leave of the Senate, I move third reading of this bill now.

Motion agreed to and bill read third time and passed.

ADJOURNMENT

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, December 11, 1962, at 8 o'clock in the evening.

Motion agreed to.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

EIGHTH CONFERENCE AT LAGOS, NIGERIA—DEBATE ADJOURNED

Hon. Sydney J. Smith rose pursuant to notice:

> That he will call the attention of the Senate to the 1962 General Conference of the Commonwealth Parliamentary Association held at Lagos, Nigeria, 14 October to 14 November, 1962, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

He said: Honourable senators, it was my privilege to attend the eighth Commonwealth Parliamentary Conference held at Lagos, Nigeria, from November 2 to November 14 last.

There are three different parliamentary associations to which honourable senators belong, and of these Canada's affiliation with the Commonwealth Parliamentary Association, or C.P.A. as it is familiarly known, goes back much farther than with either of the other two. With due respect to the NATO Parliamentary Association and the Interparliamentary Union, the C.P.A. operates in a sphere that is distinctly different. Its membership is comprised of members of parliaments of the British Commonwealth, and it is representative of one-quarter of the population of the entire world. It is a clearing house for matters of particular interest to Commonwealth countries, the numbers of which have increased by virtue of the many countries which emerged from colonial status to independence in recent years. Because of this development it was decided at the seventh conference in 1961 that in future conferences should be held annually.

It has been the practice to elect as chairman a representative of the country where the conference will next be held, and the chairman for the recent meetings was the Honourable Raymond A. Njoku, M.P., Minister of Transport and Aviation in the federal ministry of Nigeria. Mr. Njoku, accompanied by Mr. Vanderfelt, O.B.E., secretary general of the association and secretary of the conference, visited about twenty Commonwealth countries during the chairman's term of office. Their visits were for the purpose of assisting the various countries to organize

delegations for the 1962 meeting. They visited Canada shortly after the general election held in June last. Only one of the officers of the federal branch of the C.P.A. had survived that election. This situation was responsible for a serious delay in organizing the Canadian delegation, as little or nothing could be done until after the opening of the Twenty-Fifth Parliament on September 27. Our delegation had to leave Ottawa on October 11, allowing only a two-week period for the selection and briefing of delegates.

However, remarkable progress was made under difficult circumstances. The Department of Health rendered valuable assistance to delegates in the matter of necessary inoculations, and the Department of External Affairs furnished briefings on all pertinent subjects. Splendid work was also done by the Canadian High Commissioner for Nigeria and the members of his staff, who met us on our arrival at Lagos and gave us excellent support throughout the five weeks we spent in Nigeria.

There were 14 members of the Canadian delegation, six delegates in the federal group and eight representing eight provincial associations. The federal group was composed of Senator E. E. Fournier from New Brunswick and myself, representing the Senate, and four members of the House of Commons, one from each of the four parties in the house. Dr. Hugh M. Horner, M.P. for Jasper-Edson led the Canadian delegation, and Mr. Harold Winch from Vancouver East was secretary.

There was a total of 135 delegates representing nearly all the countries of the Commonwealth, and according to established custom there were two "associate" delegations representing the United States of America and the Irish Republic. The American delegation consisted of Senator Keating of New York, Senator Williams of New Jersey and Senator Burdick of North Dakota. The Republic of Ireland was represented by Messrs. James J. Burke and Sean Flanagan, members of parliament of the republic.

The American senators, accompanied by an imposing secretarial staff, flew into Lagos on November 8, and attended our sessions on November 9 and 10. They contributed most interesting addresses on subjects related to Commonwealth-United States relations.

The Canadian delegation of fourteen was one of the three larger groups, the other two representing the United Kingdom and Australia. The United Kingdom group consisted of the Right Honourable Charles Hill, M.P., the Right Honourable A. Creech Jones, M.P., the Right Honourable Sir John Vaughan-Morgan, M.P., and a number of other distinguished members of the Parliament of Westminster. The Australian delegation included a number of veterans who had attended many former C.P.A. conferences. That was a characteristic of many of the delegations. I believe that fully one-half of all delegates had the benefit of having attended former conferences.

At this point, honourable senators, I should like to respectfully suggest that honourable members of this house would do well by Canada and the Commonwealth if they would take a keener and more active part in the affairs of the Commonwealth Parliamentary Association. Such interest would do much to prevent a repetition of what occurred this year, when our branch was rendered almost impotent by the result of the general election. In spite of the many handicaps from which we suffered, I can say with justifiable pride that Canada made her presence felt, and we took second place to no other group at the conference.

We had the sad experience of losing one of our number through the untimely death of Mr. S. S. Hessian, M.L.A. for Prince Edward Island, who was a delegate representing the provincial C.P.A. in that province. Mr. Hessian was taken ill shortly after his arrival in Lagos, and passed away in hospital there on November 5. A funeral service was held in Lagos before the remains were flown back to Canada. There was a large attendance from the delegations, headed by the general chairman, the Honourable Raymond A. Njoku, and from the Canadian High Commissioner's Office in Nigeria, headed by the High Commissioner, Mr. T. L. Carter. Some Canadian businessmen who were in Nigeria for the International Trade Fair also paid their respects to the memory of Mr. Hessian who had the distinction of being a member of the legislature of his native province since he was first elected in 1919.

Time will not permit me to review in detail the many subjects discussed during our ten formal sessions and a great many informal ones, but I think honourable senators will be interested in the fact that the European Economic Community, or the Common Market as it is familiarly known, held undisputed first place in the discussions. And no doubt you will be equally interested to know that after much discussion, in which fully 90 per cent of all delegates participated and voiced their fears and speculations on the possible result of Great Britain's joining the Common Market, the final conclusion was that this is a matter that the United Kingdom must decide for herself, without too much interference or pressure. I can also say without reservation that most of the speakers expressed the opinion that Great Britain would

eventually become a member of the European Economic Community. Furthermore, it was the general opinion that, if and when she did become a member, the fears held by some members of the Commonwealth would likely be dissipated in the many advantages which may be enjoyed directly by the United Kingdom and indirectly by the Commonwealth.

The next important major issue discussed was the matter of "alignment" and/or "non-alignment" of newly-formed independent Commonwealth countries—that is, alignment or non-alignment with the western world, or Free World. There was a definite indication in some of the speeches of a tendency on the part of some of the newer Commonwealth countries to play "both ends against the middle" in the matter of foreign aid. The India-China trouble broke during our meetings. As a matter of interest, all but two of the Indian delegates left the conference for India, at the request of their Government. I have a feeling that the recent experience in India has been a potent lesson to some other countries. I think they will take a more serious interest in who their friends should be.

I cannot conclude my report on the formal sessions without making reference to an attitude indicated by certain delegates representing some of the newer African countries, an attitude that was definitely anti-British. It seems to me that some of these people are still fighting for their freedom. This is no doubt a carryover from colonial days and is quite explainable by students of Africa; but I think we should take heed of these rumblings and grumblings, for they provide a seedbed for subversive activities. I am not being critical of the countries I refer to, and I certainly do not wish to cause them any offence; but I do feel that, in the best interests of the Commonwealth, including of course the African members of our Commonwealth family, we should recognize the danger we are facing and, furthermore, we should try to do something about it.

I cannot give you the picture better than by referring to what I saw at the International Trade Fair, which was held in Lagos, a city of over half a million people, the federal capital of Nigeria. Over 70 countries participated. An important breakdown of the exhibits and their sponsors would be to separate those representative of the Free World from those representing the communist world. The latter exhibits were of the prestige or propaganda type, as compared with those of the Free World countries, which were intended to build trade. I am going to use, as distinct examples of the two techniques, the exhibits of the Union of Soviet Socialist Republics and those of Canada.

I wish to tell you first that the Canadian exhibit was somewhat below par, for the reason that Canada put on what is known as a "solo" industrial fair in Lagos in the month of January 1962. The January show was strictly an independent effort on the part of Canada; and no doubt it had a very special value, in that it was not in competition with 70 other countries. Having participated in the January project, Canadian exhibitors to a large extent contented themselves with just a token effort in November. Nevertheless, Canada's show, as I saw it, was strictly a merchandising effort to sell goods, while the U.S.S.R. effort was to sell a philosophy.

To begin with, the U.S.S.R. building was most attractive from the outside and the interior was very cleverly and lavishly laid out. Immediately in front of you, as you entered the building, was the capsule in which the Russian astronaut made the first trip into space. It was the centre of a very impressive display that was designed to sell the visitors high-level scientific advancement in Russia. The background was a huge poster-type sign with a dove of peace in the centre and a monotonous repetition of the words "Peace, Unity, Freedom, Equality, Fraternity, Happiness." At the opposite end of the building there was another huge poster-type sign carrying the following words, which I made a note of on the spot. I quote:

> The Soviet Union's main economic task is to create the material and technical basis of Communism within twenty years.

I was told that the Russians had a staff of nearly one hundred persons engaged in handing out booklets and sets of picture postcards of Russian astronauts, and answering questions. The most significant thing about the show was that most of the assistants were native Africans, dressed in native dress. Another feature that could not escape my notice was the huge crowd that was jammed into the building, and every time an attendant showed up with an armful of literature the crowd pushed forward with outstretched hands, shouting for the literature.

I learned that this U.S.S.R. propaganda machine is working incessantly throughout Africa. During my visit to various regions of Nigeria, I made it a point to meet new people —people not associated with our visit. I met a large number of businessmen who had been in Africa for a long time and who were acquainted with all parts of the continent. There was the chap from New Jersey who

has been sales manager for the Cluett, Peabody Company in Africa for eleven years. He was glad to talk to me, for he sold shirts and pyjamas made in Kitchener, Ontario. There was the superintendent for a world famous pharmaceutical firm. There was a distributor for Massey-Ferguson tractors and farm machinery. There was a district manager for Unilever Corporation. There were scores of teachers, missionaries, doctors and men engaged in other fields. From all sources, I got a composite picture of the battle that is raging between the two great world philosophies for the rich prize that is Africa. I could not help feeling that we were losing out in that battle.

As I see it, there are two kinds of aid going into the new African countries. There is, on the one hand, the money, the credit and the skills that are going into creating an image of grandeur. There is every evidence of an urge to catch up, and even to surpass, older countries. Nigeria got independence on October 1, 1960—26 months ago last Saturday. There are modern skyscrapers, all the way up to 24 storeys high, being erected in each of the larger cities. There are legislative buildings, apartment blocks for members of legislative assemblies and for members of parliament, and mansions for ministers. There are university campuses, ultra-modern prestige hotels, a Royal Nigerian navy and many other developments that tend to give the people a long-awaited satisfaction and a feeling of independence and confidence. There are two kinds of aid going into new African countries. First, there is the aid that makes possible this prestige program; the other kind is the technical aid that is assisting the people to help themselves. They are engaged in a battle against poverty, disease, illiteracy and corruption. Their greatest hope to beat poverty is to provide a higher standard of living. Most of the African countries are well adapted to agriculture, but they could do with vast improvements in techniques in cultivation, irrigation, fertilization, seed selection and improvements in stock breeding. This is a field in which Canada could give aid beyond estimated value.

Their battle against disease is one in which they can use a lot of assistance. For a population of over 40 million, Nigeria has about 80 doctors, one for each half-million of population. I visited many hospitals. One, in Ibadan, the ancient slave capital of Africa, is quite a new super-modern hospital connected with the university. They have beautiful buildings, situated on beautiful grounds, and fine modern homes for the staff. There is an outpatient department where from 700 to 800 people call every day. There is one doctor and one nurse to take care of them. They see about 300 a day; the rest go away, to come back if they are able.

I visited another hospital in the city of Jos, the tin mining centre in Northern Nigeria. This is an older hospital where they are short of room, short of equipment and doctors. Eighty per cent of the nurses are native male nurses who got some training in the British army. The outpatient department here has about 600 patients a day. There is one doctor and one nurse to take care of as many as they can see after looking after two wards in the hospital. So the battle against disease is another field in which Canada can render aid with a value that cannot be estimated in dollars.

The people of Nigeria are making great headway in their fight against illiteracy. Native children are apt pupils and keen for education. We can be very proud of the aid that Canada is giving in the field of education. We met many Canadian teachers who are doing a great work in training native boys and girls to be teachers and in preparation for administration jobs in the government service.

Canada is presently engaged in a land survey and mapping program at a cost of something in the order of 1½ million. This survey is giving Nigeria the first accurate maps of the country and will be a great aid in the Niger River Dam project. We met many Canadians who are engaged in this work. A Mr. Turner of British Columbia is in charge of the survey, and the mapping consultant is Major Sid Dadson of Ottawa.

The fourth battle in which they are engaged is that against corruption. In a new country, with new-found financial aid, it is natural to find opportunists, entrepreneurs, promoters and slickers of many varieties, seeking an opportunity to cash in. Some of these are natives, many are not. The regional government of Western Nigeria was placed in suspension, and the administration is in charge of an official administrator while an exhaustive investigation is being conducted. It is hoped that by the end of the year the old government will be reinstated or that an election will be called for a new government to replace the old.

While we were there a sensational treason trial was begun against a group of twenty-seven men who had occupied high places in government. A very significant thing about the investigation and trial was the unbridled publicity given to all the sordid details in the press of the nation.

The conference proper was preceded by a tour of three regions or provinces that

make up the Federation of Nigeria. This proved to be a most valuable feature of the conference. It provided a very interesting and educational opportunity to learn a great deal about Nigeria and its people. It also provided an excellent opportunity for the delegates to get acquainted with one another, which facilitated the work of the conference.

It would take much more time than I care to devote to give a detailed report of the tour, so I will conclude my report with a few brief highlights.

The Federation of Nigeria is the largest and most populated country in Africa. It is made up of three regions or provinces and the independent capital district of Lagos. It has a population of about 42 million, of which only 28,000 are white. It is a part of West Africa and has an area of 340,000 square miles—about 20,000 square miles smaller than our province of British Columbia. It lies between the Sahara Desert in the north and the Atlantic seaboard in the south. Its climate varies from the dryness of the northern desert to a hot, tropical, forest belt in the south that is only about four degrees north of the equator. The Niger river and its main tributary, the Benue, form a "Y" which divides the country into the three regional areas. The Niger is one of the longest rivers in the world, about 2,600 miles. There is a project in the making for a large dam on the upper Niger which will supply power and water for irrigation.

The ninth Commonwealth Parliamentary Conference will be held next year in the new Federation of Malaya. Its chairman will be the Honourable Data Haji Mohamed Noah Bin Omar, S.P.M.J., D.P.M.B., Speaker of the House of Representatives, Federation of Malaya.

Dr. Horner, M.P., Leader of the Canadian delegation, at the last business session of the eighth conference, extended an invitation to the association to hold its 1967 conference in Canada. The invitation was acknowledged and will be considered by the General Council of the association in due time.

All of which, honourable senators, is respectfully submitted.

On motion of Hon. Mr. Fournier (Madawaska-Restigouche), debate adjourned.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE ACT

BILL TO AMEND—THIRD READING

Hon. A. J. Brooks, for Hon. Mr. Sullivan, moved the third reading of Bill C-4, to amend the Department of National Health and Welfare Act.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—SECOND READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-403, for the relief of Thelma Joanette MacDonald.

Bill SD-404, for the relief of Roger Bernard Angel.

Bill SD-405, for the relief of Paul Parizeau.

Bill SD-406, for the relief of Audrey Barbara Sutton.

Bill SD-407, for the relief of Eliane Trottier.

Bill SD-408, for the relief of Aurella Breard.

Bill SD-409, for the relief of Ginette Ingrid Leopold.

Bill SD-410, for the relief of Lily (Lillian) Shapiro.

Bill SD-411, for the relief of Madeleine Kallweit.

Bill SD-412, for the relief of Mary Teresa Hough.

Bill SD-413, for the relief of Edouard Pellerin.

Bill SD-414, for the relief of Suzanne Moreau.

Bill SD-415, for the relief of Soshy Judith Marcovitz.

Bill SD-416, for the relief of Ann Marie Cooke.

Bill SD-417, for the relief of Jacques Ekaireb.

Bill SD-418, for the relief of Theresa Geraldeau.

Bill SD-419, for the relief of Edith Herman.

Bill SD-420, for the relief of Edouard Joseph Armand Baril.

Bill SD-421, for the relief of Violet Gabrielle Gilmour.

Bill SD-422, for the relief of Leo Paul Turcotte.

Bill SD-423, for the relief of Paulette Sauve.

Bill SD-424, for the relief of Eli Kraus.

Bill SD-425, for the relief of John Andre Anderson.

Bill SD-426, for the relief of Helen Beverley Sabo.

Bill SD-427, for the relief of Jeanette Rosenberg.

Bill SD-428, for the relief of Raymonde Vachon.

Bill SD-429, for the relief of Marie Augustine Jeannette Gibbs.

Bill SD-430, for the relief of Helen Doreen Gearey.

Bill SD-431, for the relief of Alphonse Audet.

Bill SD-432, for the relief of George Mantadakis.

Bill SD-433, for the relief of Sylvia Evelyn Lyon.

Bill SD-434, for the relief of Shirley Sarah James.

Bill SD-435, for the relief of Dorothea Margaret Kay.

Bill SD-436, for the relief of Edie (Etta) Cohen.

Bill SD-437, for the relief of Jacqueline Henriette Pujol.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading on Tuesday next.

Motion agreed to.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the Report, dated December 4, 1962, of the Joint Committee on the Library of Parliament.

The Hon. the Speaker, Hon. Mr. White, left the Chair.

Hon. Walter M. Aseltine, P.C. in the Chair.

Hon. George S. White, Joint Chairman of the Committee, moved that the report be adopted.

He said: Honourable senators, I would point out that under section 3 of the Library of Parliament Act, Revised Statutes of Canada, chapter 166, the direction and control of the Library of Parliament and of the officers and servants connected therewith is vested in the Speaker of the Senate and the Speaker of the House of Commons for the time being, assisted during each session by a joint committee to be appointed by the two houses.

As honourable senators are aware, under the Civil Service Act passed at the last session of Parliament the officers and employees of the Library of Parliament are no longer under the control and subject to the provisions of the Civil Service Act.

The two reclassifications and the two promotions which are dealt with in this report were brought before the Treasury Board in April of this year, having been approved by the then two Speakers of Parliament. However, the Treasury Board pointed out that the officers and employees of the Parliamentary Library, being no longer under the Civil Service Act, it was powerless to deal with the matter, so it has stood until the present time. At the first meeting of the Joint Committee on the Library of Parliament it was agreed that the two reclassifications and two promotions be approved. Apparently the new procedure is that the Joint Committee on the Library of Parliament shall pass upon these recommendations and they are then submitted to the Senate and to the House of Commons for their approval.

Honourable senators will note in the report that item (2) makes provision for dealing with a situation which may arise either through prorogation or dissolution. In such a case it authorizes the two Speakers to deal jointly with appointments, up-gradings, promotions, and other matters relating to the staff of the Parliamentary Library, and all other administrative matters, subject to ratification of both houses at the next ensuing session.

I might say that the matter covered by this item was very thoroughly considered by the committee and they decided that this provision would avoid a recurrence of the situation that arose during the last period when Parliament was dissolved. This will give to the two Speakers the necessary authority to act in the interval and, of course, their actions will be subject to review and approval at the next session of Parliament.

Hon. Norman P. Lambert: Honourable senators, may I be permitted to add a word to what the Chairman of the Joint Committee has said with respect to this report. I have been interested in the work of the Library since I have been a member of this chamber but, unfortunately, I was away from Ottawa on the day the last meeting was held.

However, I should like to say, particularly with reference to these salary increases, that I think the Library of Parliament can be identified with that branch of the service which has received less attention in the way of salary increases than any other branch of the civil service employed in this building.

I have had the pleasure of fairly intimate contact with the Library and know something about the efficiency with which that organization is conducted and the services it renders to members of both houses when they are disposed to use them. The present Librarian is doing everything that he possibly can do to make that fact known to Members of Parliament, with the result that there has been a noticeable increase, I think, in the attendance of members of Parliament in the Library in search of information and

data relating to the legislation that comes before them in the other place. I would suggest as well that as much interest as possible might be promoted from this chamber in the affairs of the Parliamentary Library, because it has been reorganized in a far-reaching way since the National Library has taken form and is being established in the near future in new quarters. The Parliamentary Library is now truly a Parliamentary Library, unencumbered by detective stories and a good many other novels that inveigled our members into fields of romance in days gone by.

I should like to approve the report and to suggest very definitely that we have a good library and a good staff, one which I think is worthy of our continuous interest and support.

Hon. Arthur W. Roebuck: Honourable senators, I am not a member of the committee, much less, indeed, its chairman, but I think that one of us who are not especially interested in the committee may possibly be heard in commendation of the service we ordinary citizens, and not those in the inner circle of the committee itself, receive from the staff of the Library. Particularly, I should like to mention the service I have personally received from Mr. Spicer, the new Parliamentary Librarian. That service was impressed upon me most strongly when during the recess the Librarian sent me a new book on the history of divorce in the United States. It was quite a lengthy book and a good one, and I read it in its entirety. The fact that he noted I might be interested in a certain book and sent it to me on his own initiative impressed me.

I have gone to the Library frequently, looking for books on the law and other subjects, and have received the most courteous and devoted attention of every officer who has attended to me. I think I should acknowledge such service publicly.

Report adopted.

The Hon. the Speaker resumed the Chair.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING

The Senate resumed from Wednesday, November 28, the adjourned debate on the motion of Hon. Mr. Croll, for the second reading of Bill S-3, to make provision for the disclosure of information in respect of finance charges.

Hon. David A. Croll: Honourable senators—

The Hon. the Speaker: Honourable senators, I should point out that if the honourable sponsor of the bill speaks now it will have the effect of closing the debate.

Hon. Mr. Croll: Honourable senators, in rising to close the debate on second reading of this bill I must first say that the debate has been an excellent one. I may be forgiven for expressing satisfaction at the measure of support which the principle of this bill appears to have received from all sides of the house. I do not propose to speak at length, although I have a few things I feel should be said.

I believe the time has come when the bill should be referred to committee for consideration. The mischiefs contemplated in this bill are not only nation-wide, but are continuing and increasing almost in geometric progression, as I have demonstrated statistically. It is my view that we should not defer action any longer.

In so saying, I am not unaware that opposition to this bill has once again been expressed by the honourable Senator Hayden, though I understood him to say that he would not attempt to prevent the bill going to committee. I have met head on, and in great detail on several occasions—more particularly in closing the debate on the second reading of the comparable bill last session—what may be termed the standard arguments put forward by the honourable Senator Hayden. I do not believe any useful purpose would be served by replying to them once again.

I am most appreciative of the contribution made by the honourable Senator Vaillancourt. He is very knowledgeable on this subject, has had a long association with *caisses populaires* and has a special appreciation of the problems involved. He gave us the benefit of a report that took four years to complete and which disclosed, as he put it, terrible conditions arising out of the operation of finance organizations. His unqualified support of the principle of the bill has been forthcoming every time I have introduced such a bill, and I am most appreciative of it.

Honourable senators, I wish also to say a few words about the contribution made by the honourable Senator Grosart. As I understood him, initially he was of several minds about the bill, but he ended up by being entirely in favour of its principle, and indicated his willingness to co-operate in whatever efforts would be made in committee to improve its text.

I must take a little longer to make reference to the remarks made by the last speaker, the honourable Senator Farris. May I say at the outset that I agree in part with what he said, and that I am prepared to

make what might be regarded as an important concession to his point of view. However, I wish to make it crystal clear wherein I agree with him and wherein I do not. He has expressed a lingering doubt or fear as to the constitutionality of the present bill. As I have said, and often repeated, I do not entertain any such fears or doubts, nor do I believe they are shared by the majority of honourable senators.

In the first place, honourable senators are aware that the provisions making non-disclosure an offence punishable on summary conviction are not included in the present bill, nor were they included in its immediate predecessor, although there were such provisions in earlier versions. Accordingly, the present bill does not stand constitutionally on the basis of criminal law. Thus the extended remarks of the honourable Senator Farris have no relevance to the present bill.

The bill before us is justifiable constitutionally as being legislation which, in pith and substance, though not necessarily in every detail, is legislation relating to "interest", as that expression appears in the British North America Act of 1867. This is the view which has been expressed by our Parliamentary Counsel, and was the view expressed many times by Mr. Varcoe in respect of the Small Loans legislation. More recently both these points of view received unexpected support from the unanimous judgment of the Court of Appeal of Ontario in respect of the Unconscionable Transactions Act, which is now under appeal to the Supreme Court and to which I shall refer at greater length in my later remarks. However, I am sure that our Parliamentary Counsel, Mr. Hopkins, would be the last person to place around his shoulders a cloak of constitutional infallibility. On the contrary, he has often expressed the view, as he did in his opinion on this bill, that the formulation of a constitutional opinion is, in reality, an exercise in studied speculation, subject always to final determination by the Supreme Court of Canada, as our court of last resort.

I have said that the honourable Senator Farris has expressed a lingering feeling of doubt on the constitutional issue and has made a plea for its reference to the Supreme Court. Not because I have any fear or doubt about the matter but rather because I am confident of the result, I would be quite prepared to subscribe in committee to an amendment which would provide a built-in constitutional safeguard in this respect.

I can find only one previous occasion, in connection with the Special War Revenue Act, chapter 27 of the statutes of 1940-41, where the Senate added such a clause. It read as follows:

> 29. Sections three and four of this act shall not come into effect until proclamation by the Governor in Council, and such proclamation shall not be issued until section four of this act shall have been submitted to the Supreme Court of Canada for the purpose of having the judgment of the said Court on the constitutionality of said section four, and said judgment has been given.

This amendment, added to the Special War Revenue Act for the purpose of ascertaining its constitutionality before proclamation, twenty-one years ago, is a precedent that we can properly follow.

Hon. Mr. Brooks: That was a Government measure.

Hon. Mr. Croll: Yes, of course, but it is none the less a precedent.

Hon. Mr. Farris: The fact that the Government did it would not disqualify it.

Hon. Mr. Croll: As a matter of fact my friend the honourable Senator Brooks was a member of the house at that time.

I suggest that if the senators entertain any lingering doubts, and if the committee feels it is desirable, before the bill becomes law, to have its constitutionality determined by the Supreme Court of Canada, this could be done very simply without in any way holding up the passage of the bill, the principle of which appears to command general and public interest. I may say that a determination by the Supreme Court of Canada on the constitutionality of the present bill, coupled with its decision with regard to the Unconscionable Transactions Act of Ontario, would clarify once and for all the ambit of the legislative power of the Parliament of Canada in relation to interest. Indeed, if the provincial legislation falls, and the present bill is upheld, as I strongly suspect will be the case, it will be necessary, as I said on an earlier occasion, to consider the adoption at federal level of a consumers' bill of rights.

Having agreed to subscribe to an amendment providing for a constitutional safeguard, let me reiterate that we are considering the principle of the bill, and I would ask that we refer it to the Standing Committee on Banking and Commerce where it may be cast in the best possible legal mould for reference to the Supreme Court of Canada.

Honourable senators, as we proceed to vote on this bill may I suggest, with utmost deference, that in this day and age good

legislation is that in which paramount regard is had for the welfare of the many rather than for the interests of the few. May I add, that in the conduct of human affairs the absence of truth very often, if not always, denotes the presence of falsehood, and that in voting on this measure we may be taking an important first step on a national scale for the protection of the consumers of retail credit. I think the time has come for this chamber to take this first step, not merely to fight this problem but to help in solving it. I move the adoption of the bill on second reading.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Croll bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until Tuesday, December 11, at 8 p.m.

THE SENATE

Tuesday, December 11, 1962

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

Prayers.

PRIVATE BILL

THE GOOD NEWS BROADCASTING ASSOCIATION OF CANADA—FIRST READING

Hon. Arthur L. Beaubien presented Bill S-17, to incorporate The Good News Broadcasting Corporation of Canada.

Bill read first time.

Hon. Mr. Beaubien (Provencher) moved that the bill be placed on the Orders of the Day for second reading on January 29, 1963.

Hon. Mr. Farris: Can we have the assurance of the Leader of the Government (Hon. Mr. Brooks) that there will be a Parliament at that time?

Hon. Mr. Brooks: No doubt about it.

Motion agreed to.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Annual report of the President of the Industrial Development Bank and statement of accounts for the fiscal year ended September 30, 1962, pursuant to section 29(4) of the Industrial Development Bank Act, chapter 151, R.S.C., 1952. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 461 to 504, and moved that they be taken into consideration at the next sitting.

He said: Honourable senators, for a number of reasons I think this is an appropriate time for me to make a progress report on behalf of the Divorce Committee, giving some statistics which may be both interesting and useful.

So far at this session of Parliament, 577 petitions have been presented, and these have been dealt with as follows:

Petitions heard and recommended	215
Petitions heard and rejected	4
Petitions withdrawn	5
Petitions partially heard	20
Petitions pending	333
	577

In addition to the foregoing, 327 bills had not passed the House of Commons at the end of the last session. Of that number, 321 have now been recommended by our committee and I think all have passed this house and again have been sent to the Commons. The 321 cases from the last session added to the 577 of this session make a total of 898 cases actually passed by this house or pending. The disposition of nearly 900 cases is a tremendous responsibility placed on the members of the divorce committee, in particular, and on the members of this house in general. I submit it is a grave responsibility placed on Parliament itself. We have not only accepted the $210 in fees from each petitioner, but we have induced those whose cases have been tried to come here with their solicitors and all their witnesses and submit to a trial by a committee of this house, and to meet their costs which run to more than $1,000 per case on an average. Those parties have gone through a trial and have submitted to that procedure, at our invitation, with the expectation and belief that we were honest and would not take their money without giving them something in return. The plight of some of those people who have been held in suspense for months without knowing whether they are married or divorced is something that should stir the sympathy of us all in both houses. The injustice of justice delayed, which is justice denied, makes my blood boil, and I think it should stir the enmity of anyone who is in any way responsible for this procedure.

Honourable senators, I conclude by saying that we, as the members of both Houses of Parliament, have the responsibility for some 900 cases resting upon us.

Hon. Mr. Pouliot: Could the honourable gentleman who has just spoken give us some information as to whether the petition in the Labrosse case has been accepted or rejected by the Divorce Committee?

Hon. Mr. Roebuck: I do not know that this is a proper time for me to report on that case but since I have been asked about it I shall do so. There is a great deal that goes on in the chairman's chamber that it is not necessary to report.

The Divorce Committee has had some difficulty in dealing with perjured evidence. The practice is for the committee to report to the Minister of Justice whenever it is suspected that there has been a violation of the law. This I have been doing in more cases than I am prepared to state publicly, and as a result of that practice there are three men now in jail, one serving a term of five years

and the others serving lesser terms. A further trial is in prospect at the moment, as are further investigations.

I do not know that I should discuss the Labrosse case publicly, but in order to answer the question I must state the facts. This case, in which Mrs. Labrosse was the respondent, was passed by us on apparently perjured evidence. The investigators who gave evidence at the trial have pleaded guilty to a charge of perjury and are the men I have mentioned as now in jail. Under the circumstances, Mrs. Labrosse has asked that the Act dissolving her marriage be now repealed, and she has filed a petition to that effect. While that petition has been received by our office, it has not been presented, nor has it yet a sponsor. For this reason, I intend to present it myself in due season. I do not mean to imply that I will advocate its passage. I have nothing to say in that regard at the moment. I think it should be submitted to the judgment of this house in due course, and if no one else sponsors it, I shall.

That is my answer to the question. A petition has been lodged asking for repeal of this Act of Divorce, which was apparently granted on perjured evidence.

Hon. Mr. Cameron: Can the chairman of the committee give us any information as to the progress being made by the bill having to do with parliamentary divorces which was supposed to come from the other house? Is there any likelihood of its being presented here before the New Year?

Hon. Mr. Roebuck: I doubt that I should answer that question. It is a matter for the Commons and not for us.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mr. Roebuck: I can tell you that the bill now before the Commons is one drawn by myself and Mr. McCleave, Chairman of the Miscellaneous Private Bills Committee in the other house last session, and has now been presented by the present chairman of that committee. It is expected that the bill will come before the Commons on Thursday of this week, but for me to forecast what that house may do with it, would be entirely improper.

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

Hon. Mr. Roebuck: Honourable senators, I move that these reports be considered at the next sitting.

Motion agreed to.

BILLS—THIRD READING

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-403, for the relief of Thelma Joanette MacDonald.

Bill SD-404, for the relief of Roger Bernard Angel.

Bill SD-405, for the relief of Paul Parizeau.

Bill SD-406, for the relief of Audrey Barbara Sutton.

Bill SD-407, for the relief of Elaine Trottier.

Bill SD-408, for the relief of Aurella Breard.

Bill SD-409, for the relief of Ginette Ingrid Leopold.

Bill SD-410, for the relief of Lily (Lillian) Shapiro.

Bill SD-411, for the relief of Madeleine Kallweit.

Bill SD-412, for the relief of Mary Teresa Hough.

Bill SD-413, for the relief of Edouard Pellerin.

Bill SD-414, for the relief of Suzanne Moreau.

Bill SD-415, for the relief of Soshy Judith Marcovitz.

Bill SD-416, for the relief of Ann Marie Cooke.

Bill SD-417, for the relief of Jacques Ekaireb.

Bill SD-418, for the relief of Theresa Geraldeau.

Bill SD-419, for the relief of Edith Herman.

Bill SD-420, for the relief of Edouard Joseph Armand Baril.

Bill SD-421, for the relief of Violet Gabrielle Gilmour.

Bill SD-422, for the relief of Leo Paul Turcotte.

Bill SD-423, for the relief of Paulette Sauve.

Bill SD-424, for the relief of Eli Kraus.

Bill SD-425, for the relief of John Andre Anderson.

Bill SD-426, for the relief of Helen Beverley Sabo.

Bill SD-427, for the relief of Jeanette Rosenberg.

Bill SD-428, for the relief of Raymonde Vachon.

Bill SD-429, for the relief of Marie Augustine Jeannette Gibbs.

Bill SD-430, for the relief of Helen Doreen Gearey.

Bill SD-431, for the relief of Alphonse Audet.

Bill SD-432, for the relief of George Mantadakis.

Bill SD-433, for the relief of Sylvia Evelyn Lyon.

Bill SD-434, for the relief of Shirley Sarah James.

Bill SD-435, for the relief of Dorothea Margaret Kay.

Bill SD-436, for the relief of Edie (Etta) Cohen.

Bill SD-437, for the relief of Jacqueline Henriette Pujol.

Motion agreed to and bills read third time and passed, on division.

PRIVATE BILL

THE PHARMACY EXAMINING BOARD OF CANADA—SECOND READING

Hon. John J. Kinley moved the second reading of Bill S-15, to incorporate The Pharmacy Examining Board of Canada.

He said: Honourable senators, this bill now before us for consideration on second reading is entitled "An Act to incorporate The Pharmacy Examining Board of Canada". Its passage through Parliament will constitute a forward step for the pharmaceutical profession, and will do for that profession in Canada what was done for the doctors many years ago.

The bill is a simple one. Section 1 contains the names of the incorporators, who are prominent pharmacists practising throughout Canada.

Section 2 contains definitions of various terms used in the bill.

Section 4 reads:

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

Section 5 sets out the purposes of the board as follows:

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

I may say that the participating licensing bodies are representative of the different provinces, which bodies have participated in the formation of this board.

> (b) to provide for fair and equitable examinations, for the issuance of certificates of qualification to, and for the registration of, applicants therefor; and
>
> (c) to promote, with the consent of the appropriate licensing bodies—

That is, those of the provinces.

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

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

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

A special proviso follows but I think it can be dealt with better in committee. The bill continues:

> 7. (1) Where any appointing body fails to appoint a member to the Board within a reasonable time after a vacancy occurs, the registrar-treasurer of the Board shall notify such appointing body by registered mail of such failure and shall in such notice require the appointing body to make the appointment and to certify the appointment to the Board within one month of the mailing of such notice.

In this bill there is a provision that if the province does not appoint a representative, the Board can do so. That question was considered by the sponsors of the bill and the officials of the Senate, and I think it has been settled that it rests with the province. The bill continues:

> 8. Each appointed member of the Board shall continue in office until his successor is appointed ...
>
> 9. No person shall be eligible for membership on the Board unless he is a qualified pharmacist ...
>
> Provided that the requirement of registration shall not apply to the members of the first Board—

That is, the incorporating board, on which there probably will be a solicitor. The bill continues:

> 10. (1) A participating licensing body may by resolution withdraw from participation in the activities of the Board upon giving the Board six months' notice of its intention so to do and in such event the term of office of its representative on the Board shall expire . . .
>
> 11. (1) The Board shall have power to
>
> (a) issue certificates of qualification in pharmacy to applicants therefor;
>
> (b) establish, maintain and revise . . . a register . . .
>
> (c) establish the terms and conditions under which persons may obtain certificates of qualification . . .
>
> (d) establish and maintain a panel . . . of examiners . . .
>
> (2) Nothing in subsection (1) shall authorize the Board to interfere with or otherwise affect the rights or privileges of any licensing body under provincial law.

Hon. Mr. Macdonald (Brantford): Are there any provincial laws at the present time?

Hon. Mr. Kinley: Yes. In each province there is a provincial society, and the laws of the province set out the provincial rights. We agreed that this would read,

"Nothing in this act . . ." instead of "Nothing in subsection (1) . . .". I think that is agreeable, but it is a matter for the committee.

Then there follow the usual sanctions, showing how a member can be removed from the register. After that there is provision for by-laws. As to by-laws, the bill has this to say:

> 14. (3) No such by-law or regulation shall be enacted, altered or repealed except with the concurrence of two-thirds of the members of the Board appointed by participating licensing bodies.

That means the change must be approved by the Pharmaceutical Society in each of the provinces.

Section 15 is rather important. It says:

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

That is the usual thing in new legislation, that those who are well established in the business are taken in without examination. Then there is the usual paragraph about the holding of property. There is also a section dealing with the power to borrow money, draw cheques, and so on. That is a brief summary of the bill.

Honourable senators who have read in the newspapers and heard discussions in this house about difficulties affecting our health will agree that this bill is a timely one, carrying as it does seeds of unity, of strength, progress and advanced knowledge. These are salutary advantages. The bill represents a step forward, and therefore I commend it to the house for favourable consideration on second reading.

Hon. Mr. Drouin: If the bill receives second reading, does the honourable senator intend to ask that it be sent to a committee?

Hon. Mr. Kinley: I want it to go to the Standing Committee on Public Health and Welfare for consideration tomorrow. I intend to move suspension of Rule 119 for that purpose. This bill was brought up three weeks ago and was left on the Order Paper so that the country could study and think about it to make sure that everyone was satisfied. Then I had to go home for a week on some private business. In consequence, the explanation of the bill on second reading has been delayed. However, the representatives are here from the college to discuss it tomorrow, and I am anxious to have it brought before the committee.

Hon. Mr. Macdonald (Brantford): If the honourable senator succeeds in getting the bill to the committee tomorrow, will there be representatives here from interested provinces?

Hon. Mr. Kinley: Yes, they are here in the gallery now. Both the secretary and the solicitor of the Canadian Pharmaceutical Society are here.

Hon. Mr. Drouin: Will they be ready to proceed tomorrow?

Hon. Mr. Kinley: Yes.

Hon. Mr. Roebuck: Does membership in the organization to be created by this bill confer upon the person who becomes a member any rights, powers, privileges, immunities, licences or civil rights of any kind?

Hon. Mr. Kinley: No, none whatever.

Hon. Mr. Roebuck: Does it merely give the member the right, authority and power to say that he is a member of the organization?

Hon. Mr. Kinley: Yes. It provides for examination which we hope will be Canadian-wide in its scope, but with no precedence over provincial rights.

Hon. Mr. Drouin: There is no infringement on provincial rights?

Hon. Mr. Farris: What attitude are the pharmacists taking as to this bill?

Hon. Mr. Kinley: As far as I know, the Pharmaceutical Society representations are favourable in eight provinces out of ten. The island of Newfoundland has not yet decided, and Quebec has not yet come in. Apart from those, the rest are in.

Hon. Mr. Davies: Will this be binding on the provinces that do not come in?

Hon. Mr. Kinley: It is not binding on anyone except those who choose to join voluntarily; then they may vote if they wish.

Hon. Joseph A. Sullivan: Senator Kinley was good enough to speak to me a couple of weeks ago about this bill, and I am very happy to rise and support it. I took it upon myself to consult the Dean of the Faculty of Pharmacy in the University of Toronto, and I have before me a letter in which he states his views. In part, he said:

> The purpose which the bill is intended to achieve is precisely that which has been provided by the legislation which established a similar Examining Board in Dentistry and originally, many years ago, the Dominion Medical Council. In both of these instances, as you are aware, there is no interference whatever with the rights and privileges of the respective Provincial Licensing Bodies. The same would apply in the case of the proposed National Pharmacy Examining Board.

There is an important clause on page 2 of the bill which states:

> 5. The purposes of the Board shall be (a) to establish qualification for pharmacists, acceptable to participating licensing bodies and recognizable as the highest in Canada.

In other words, the pharmacists are attempting to improve the status of their profession, in the same way as the doctors and lawyers have improved theirs through the Royal College of Physicians and Surgeons and Osgoode Hall. I think this is excellent legislation.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Kinley, bill referred to Standing Committee on Public Health and Welfare.

SUSPENSION OF RULE

Leave having been given to revert to the order for Notices of Motions:

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

> That Rule 119 be suspended in so far as it relates to the Bill S-15, intituled: "An Act to incorporate The Pharmacy Examining Board of Canada."

He said: By Rule 119 seven days' notice is required before a committee may consider a private bill. However, since the Christmas recess is drawing near, the suspension of the rule so far as it relates to this particular bill would enable it to be considered well before that time. The purpose of this motion is to dispense with the customary one week's delay.

Motion agreed to.

DIVORCE

BILLS—SECOND READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-438, for the relief of Marie Aleta Meerovitch.

Bill SD-439, for the relief of Barbara Ann Sobrian.

Bill SD-440, for the relief of Marie Marguerite Nicole Fraser.

Bill SD-441, for the relief of Elizabeth Gray.

Bill SD-442, for the relief of Iva Baumgartner.

Bill SD-443, for the relief of Eileen Myrtle Burns.

Bill SD-444, for the relief of Donat Theriault.

Bill SD-445, for the relief of Anita Margaret d'Esterre.

Bill SD-446, for the relief of Daisy Emily Dorothy Ryan.

Bill SD-447, for the relief of Elizabeth Peck.

Bill SD-448, for the relief of Giovanni Pallotta.

Bill SD-449, for the relief of Lise Hogue.

Bill SD-450, for the relief of Millicent Vera Seagrove.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

FOOD AND DRUGS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Wednesday, December 5, the adjourned debate on the motion of Honourable Mr. Sullivan for second reading of Bill C-3, to amend the Food and Drugs Act.

Hon. Fred A. McGrand: Honourable senators, I want to take some time tonight to discuss Bill C-3, which would amend the Food and Drugs Act.

We are all aware of the tragic use of thalidomide, a drug which was made available to the public by drug companies of excellent reputation. There should be no criticism of the Department of National Health and Welfare, which acted promptly when it became suspicious that this drug was responsible for the deformity of babies; nor can there be any blame on the drug companies, for they withdrew the drug as soon as they became suspicious of its side effects. Perhaps the blame lies with all concerned, to which we all contribute.

Much has been written about the "wonder drugs" that have become available within the last decade. Many people believe that there is no longer any need for pain or discomfort; they are led to believe that there is a powerful remedy for every ailment, great or small, which has been the heritage of man. It is from the use of drugs that man has found relief from pain and disease over the centuries, and in his flight from physical pain the human being has looked forward to the day when all disease would be eradicated from his experience and death would come eventually from old age alone.

The history of medicine dates from antiquity. No one knows who the first physicians were. Perhaps our knowledge of medicine began with the observation of animals: the domesticated dog that ate grass, the sheep and goats that ate certain herbs when ill. No doubt our primitive ancestors tried these herbs or juices on themselves with gradually increasing degrees of success. Along with this they learned to recognize the cardinal symptoms of inflammation: calor, dolor, robor and tumor. They applied some drugs externally in the form of poultices. They took some internally and they compiled the knowledge of the drug's action. It was the beginning of materia medica, and from the observation of their effects clinical medicine was born.

The dissection of dead humans and animals gave us anatomy. Experiments on living tissue gave us physiology. Research on the bodies of those who had died before their time gave us pathology. The knowledge of drugs and their action became pharmacology. On these cornerstones was built the edifice "clinical medicine".

Scientific research has added much to medicine. The names of Claude Benard and many others, including our own Banting and Best, have added to our knowledge of scientific medicine.

Let us not forget the truly great names in medicine, the renowned physicians and teachers whose names are associated with certain diseases: Graves, Bright, Hunter and others. These men observed the sick person in the sickbed, surrounded by his family. It was clinical observation that made Osler a revered name in medicine.

Most people who consult a physician do not have a definite physical disease. Between 60 and 80 per cent of them have complaints, but not diseases. They are more sick in mind than in body. They have pains and aches and muscle spasm which cannot be cured by cortisone. They have worries which cannot be cured by a sedative. They are tired not from work but from boredom, which cannot be cured by vitamins. Faulty muscle tone, poor posture, lack of exercise, poor mental hygiene, all are misinterpreted by the patient as physical diseases, and they consult a doctor to check their condition against what they have read in magazines or what they have seen on television in the exploits of Dr. Kildare and Ben Casey. They want their share of those health-giving, life-saving "wonder drugs", the product of scientific advances in this affluent age.

A leading criminologist, writing on juvenile delinquency, says that much of delinquency is caused by a failure of youth to capture and enjoy all the good things that he has been told this affluent society should bring to him in this day and age. They reach for but cannot possess all the material things they hope for in this mature age, and not being able to possess them they want to destroy the property and threaten the lives of those who possess the things for which dissatisfied youth craves.

Now may I go from the unhappy youth to the frustrated adult. For years he has been told that we live in an affluent society in which a bountiful nature and automation have produced an abundance of goods. He searches for a gimmick to make a breakthrough of his frustration, for the material things that indicate prosperity and a new set of values as he tries to keep up with the Joneses: shorter hours of work, more time for expensive play, buying on time, easy money purchase schemes, money when you need it.

Many a person fights automation most of his days. He goes to work by automation,

he spends his day with automation, he comes home by the same method, perhaps deep in debt to a finance company; he watches crime on television to adjust himself, and ends his hectic day by taking a sedative to sleep off his frustration.

Great changes have taken place in our way of life since the turn of the century. At that time most families lived on farms. Many others earned their living by family enterprise—the village blacksmith, the tailor, the cabinet maker. The entire family contributed to its income and the family was a unit. That was before many disruptive influences made their way into family life, with a whole chain of frustrations. When granddad had lumbago, grandma put a towel on his back and massaged his aching muscles with a hot flatiron. It removed the muscle spasm and he felt better the next day, and there was no additional cortisone in his bloodstream.

Up until recent years there were many effective and inexpensive preparations available, but many of these are no longer manufactured. They have been replaced by the more expensive preparations of the wonder drug variety.

There are many young mothers in their early twenties with one or two children who live in modern homes, with modern appliances, with little physical work to maintain muscle tone. Many of them are always tired, suffer from fatigue, sleeplessness and frustration. They take vitamins every day, often a sleeping pill at night and a "wake-me-up" pill in the morning. They are the ever-increasing number of women who find their way to the mental health clinics and some of them to the divorce courts. They are the market for the sedatives and tranquilizers, and if anyone doubts this let him look at the amount of sedatives available.

Thalidomide was sold in Canada under two names, Kevadon and Talimol, but it was sold in other countries under a confusing number of names. I have a list of 51 names which I shall not take the time to read but ask that they be included in the record of my remarks.

Hon. Senators: Agreed.

Algosediv
Asmadion
Asmaval
Bonbrrin
Calmore
Contergan
Coronarobetin
Distaval
Ectiluran
Enterosediv
Gastrinide
Glutanon
Grippex
Imidan
Imidene
Imidene Ipnotico
Isomin
*Kevadon
Lulamin
Neo Nibrol
Neosydyn
Neurosedyn
Nevrodyn
Noctosediv
Noxodyn
Peracon
Peracon Expectorans
Poly-giron
Polygripan
Predni-sediv
Profarmil
Psycholiquid
Psychotablets
Quetimid
Quietoplex
Sanodormin
Sedalis
Sedimide
Sedin
Sediserpil
Sedoval K17
Softenil
Softenon
*Talimol
Tensival
Thalin
Thalinette
Theophilcholine
Ulcerfen
Valgis
Valgraine

*Canadian.

Hon. Mr. McGrand: It is difficult to give the names of all sedatives sold in Canada, and the numerous preparations of sedatives, other drugs and less potent sedatives sold under the innocent-sounding name "tranquilizers".

In the year 1960, there was available for sale in Canada 48,000 pounds, or 24 tons, of sedatives. If put up in quarter-grain doses it would make a billion tablets. There was also available an enormous volume of tranquilizers, perhaps half a billion tablets, and on top of this supply came seven million tablets of thalidomide. Some were sold to drug stores, and about four million were passed out as samples to doctors. It is difficult to say how many were taken by patients inasmuch as a large amount was destroyed when it became known that it had serious side effects.

This drug would have, and must have, reached many women because it had some influence on morning sickness, a normal physical and psychological occurrence in early pregnancy. It may be nature's way of telling a woman that she is pregnant. Nausea in early pregnancy is usually not a serious matter, and a ten-minute reassuring talk with the family doctor, if she has one, is more effective than a sedative.

The sale of so many sedatives and other drugs, the unnecessary use of antibiotics, cortisone and its derivatives, estrogens and vitamins, demonstrates how clearly people have lost control of their emotions. They cannot live with other people; they cannot live with themselves, for fear of themselves. They seek shelter from themselves, as they seek from this affluent society substitutes for their built-in self-control.

A cold in the head calls for an antibiotic, a minor headache calls for a sinus decongestant, pains and aches in the muscles and joints call for some preparation of cortisone, and a minor emotional upset calls for a tranquilizer. Here

is man in full flight from himself. He cannot bear to live with his own normal emotions if they cause him the least bit of discomfort, and in his flight from the worries of the man-made machine age he seeks refuge in the man-made laboratories in search of wonder drugs. In this flight Canadians consume yearly over $22 million worth of antibiotics, over $7 million of vitamins—not including vitamins sold in bulk—over $2.5 million of sex hormones, and about $20 million of cortisone and its derivatives. These are all at wholesale prices.

If you exclude patent medicines, which amount to about $20 million a year, the sale of the drugs I have referred to equals about half the value of all pharmaceuticals sold in Canada to man and his domesticated animals. It is not hard to understand why. The less expensive and equally effective remedies have disappeared from the market and have been replaced by the expensive ones because of their reputation for quick action. They are wonder drugs when used with discretion.

The antibiotics have saved thousands who would have left this world before their time, but because of misuse they have altered the bacteria flora to such an extent that new germs, or seldom-observed germs, are making their appearance. Cortisone is a powerful drug for good or ill. There are conditions where its action is dramatic. In the hands of prudent physicians it is invaluable, but it is a much over-used drug. It has no place in old degenerative arthritis, the result of wear and tear.

There are between 70 and 100 preparations of cortisone and its derivatives combined with other drugs now on the market and used often in types of arthritis where it serves no purpose, and where its side effects could be dangerous. There are patients who are taking cortisone for these degenerative joint conditions. At the same time they are taking oral preparations for diabetes, which may be a side effect of cortisone.

Man has always had trouble with the proper use of wonder drugs. Back in the dawn of history the Arabs produced a drug which was a cure-all. They called it alcohol, and it was the elixir of life, but it had side effects. Most side effects add to our emotional disturbances. Most of the complaints which bring about the doctor-patient contact are emotional and not physical. Most of our headaches are of emotional origin: tight muscles of the scalp and neck; changes of the blood supply within the skull. Most gastro and intestinal upsets are emotional. The appetite vanishes with anxiety. Many of the upsets of the female pelvis are of emotional origin. Stomach ulcers have always been associated with worry. If worry can cause an acute ulcer, then a chronic worry can keep a chronic ulcer active. Many an ulcer patient seeks a remedy in radical stomach surgery. A gastrectomy will remove the ulcer and the ulcer-bearing area of the stomach. A patient can lose 50 per cent of his stomach but retain 100 per cent of his worries. Perhaps this is the explanation why so many who undergo radical stomach surgery at the hands of the best of surgeons retain their complaints.

Many young women with endocrine disturbances plus emotional upsets are treated by radical surgery. Hysterectomy only removes the evidence and adds to her problem by further upsetting her endocrine balance. Many of the distraught, frustrated, tormented women who find their way to the divorce courts are victims of major pelvic surgery. They consulted the wrong doctor.

I would like to compare the human body to a well-run commercial business, with its general manager and superintendents of production and sales promotion. They are the "organs" of this industrial firm, but above them is a board of directors which does the planning. It is this board which keeps the activities of the firm in balance.

The human body is made up of organs presided over by the brain. Each organ has its own function: the heart pumps blood; the stomach and bowel take in and assimilate food; other organs excrete waste. But the body has a "board of directors." These are the endocrine or ductless glands, pituitary, adrenal, thyroid, sex glands. They produce the hormone or chemical messengers that are essential to the metabolism of a well-run body. They control and are controlled by our emotions.

If you were out on a lonely road for a quiet walk and met one you considered to be a mortal enemy, you would prepare for one of two things: fight or flight. Your whole body is altered: the blood pressure goes up, the heart pumps faster, muscle tone is increased. If you decide on "fight," then the muscles of your arms and shoulders take on extra strength. If you decide on "flight," the muscles of your legs and thighs prepare for action.

Hon. Mr. Drouin: What happens if you are undecided?

Hon. Mr. McGrand: This is the relationship between the endocrine glands and our emotions, and their influence upon our bodies in general.

Most patients who consult a doctor have an emotional disturbance rather than definite physical disease, yet for every dollar spent on psychiatric research there are ten spent

in research on physical disease. The result is that all these wonder drugs have failed to solve the problems of medicine.

It takes time, patience and long clinical experience to grasp the art of medicine, for medicine is both an art and a science: a science, because we are dealing with our chemical processes; an art, because we are dealing with the most complex creature made by the laws of creation, composed of mind as well as matter. Man is more than tissue—bony, fibrous or muscular. You cannot put tissue in a test tube and tell if it comes from a person who is happy or worried, or if it is tissue from one who can keep up with the Joneses or his frustrations.

Is the practice of medicine keeping up with medical problems? Many of the best minds in medicine are afraid that it is not. Dr. Alton Goldbloom, one of the senior clinicians in Canada, writes in the latest issue of *Maclean's* magazine an article entitled "We are forgetting how to diagnose sickness". The general practitioner is faced by patients with complaints but no demonstrable physical disease. About once a week he is visited by a drug salesman who, with a reassuring smile, says, "If you have problems in your practice, I have the answer", and leaves the doctor preparations and combinations of sample drugs that contain anything from cortisone to tranquilizers, which are supposed to make the diagnosis and effect a cure at one bold stroke.

The average doctor has no way of doing his own research; he must rely on the advice he gets from responsible drug houses. There is a responsibility on the drug companies; their business is to make drugs and prepare them for market. They know that preparations containing a half-dozen different potent drugs combined in one pill are not examples of good therapeutic practice. This part of the bill that says a doctor must request these preparations in writing is only shaking a finger at the problem. There is nothing to stop a drug salesman showing the doctor the contents of his satchel, giving him a pep talk and then having him sign an order for the samples.

It is difficult to say that thalidomide is guilty of all the crimes with which it is charged. I am going to plead for its life: Do not condemn it to death; it is a little pill that can do no harm if it is not misused.

Were you to take every drug off the market that is capable of causing death in careless hands, there would be few drugs left. What about the weight-reducing drugs? They not only reduce the appetite but also give a feeling of well-being that is habit-forming, a central stimulant that burns up energy. At the same time the patient can and often does become an addict to benzedrine and dexedrine. These are two of the drugs that go into the so-called "goofball". Is the difference between normal weight and overweight—the difference between self-restraint and no self-restraint—to be measured by a little pill?

There is a responsibility. Where does it lie? It is not the responsibility of the Department of Health and Welfare to attempt to regulate the practice of medicine. Some of this responsibility lies with the drug company; much of it lies with members of the public who refuse to bear a little pain or discomfort in this affluent society; some of it rests on those who write the prescriptions. This most delicate matter must be handled by the profession itself.

The use of expensive medicines has become a part of our way of life. Much has been said about the exorbitant profits on drugs, but there are heavy expenditures involved in research, and this research must go on. It is part of the advancing science of medicine, and must serve the purpose for which it was intended. But medical practice should not be simply a sales agency for the drug companies.

Many honest, well-meaning people believe the answer to this expensive therapy is to relieve the individual of this burden and place it on the taxpayer in the form of state-controlled medicine. That is not the answer. It is merely shifting the burden from the individual to the group. It will not discourage the unnecessary use of expensive drugs but, on the contrary, it could even encourage it, without restoring clinical observation which is so badly needed.

In the prescription and distribution of dangerous drugs the worst is yet to come. It is a speck on the horizon, the size of a man's hand, which will grow larger every day. I refer to the danger of the contraceptive pill. Here is a drug which is aimed directly at the endocrine system of the young female between the ages of 18 and 38. If an ill-advised hysterectomy of a young woman can cause havoc by knocking out the endocrine substances, which might be described as one of the members of her "board of directors," what will be the result of this drug which is aimed at the entire board? And we must remember that she will be submitted to this bombardment for most of her active sex life. This may be the real Frankenstein monster, created by laboratory skill in the name of science.

We speak of scientific advancement as if it was the only goal of mankind. The Reverend E. L. Taylor has said:

> The outcome of applied science is humane slavery, enmity and hatred. The attempt to become independent of God that man could master his environment has resulted in man losing his sense of belonging to this earth. This feeling of no longer belonging is observable throughout the world today in man's senseless striving for security and yet more power, and yet man's efforts to conquer space have only resulted in man's feeling more insecure than ever.

Nevertheless, science has been the most important study in some high schools. It is considered more important and far more glorious for a boy to be an astronaut than to be a philosopher or a humanitarian. Professor McHorter, Professor of Psychology at the Medical School of the University of Vermont, and an advocate of humane education in our schools as an antidote to so much teaching of science, makes this observation:

> Perhaps this is an instrumental factor in why there are more men than women in mental hospitals, why men die sooner than women. Men, as the stereotype would have it, are supposed to be "strong, virile, objective, unemotional." I suspect that it is because men strive to assume this "masculine" type of role that they crack up, physically and mentally, several years ahead of time. The human male would be a far happier, healthier creature if he would simply cry more and give vent to more of his integrated emotions, particularly affection and compassion. Perhaps if this were done we would have a saner and more secure world in which to live.

The transfer of medicine from the bedside to the laboratory has robbed it of its clinical aspect and much of its humaneness.

It is time now to take a new look at medicine and to give it a new meaning. Perhaps we have moved beyond the drug age in medicine. There is more to man than his body. His restless mind gets him into most of his troubles.

In less affluent ages man worked hard and then relaxed; now with working and hard play he seldom relaxes.

It is not man's body or its diseases that represent the great challenge to our society. Smallpox, diphtheria, leprosy are well under control. Heart disease, cancer, high blood pressure are not contagious. It is man's emotions we fear most. No timid woman or small child need be afraid to meet the biggest man in the world in a dark alley if he is sound emotionally. The challenge comes from the criminal who threatens our lives as he robs us of our goods, the juvenile delinquent who feels deprived in this affluent society, the drug addict and the sex deviate with their frustrations.

For years we have done research on animals. Much of our knowledge of drugs comes from this source. But we have seldom studied the emotions of animals in their natural state. Here is a whole field to explore as we probe man's emotions. Naturalists are happy and contented people because they appreciate their surroundings and what nature has to offer them. In our pursuit of chemical and physical knowledge, philosophy and moral values have lagged behind. I recall the Greek adage:

> Life is a gift of nature; but a beautiful life is a gift of wisdom.

Bliss Carman described this kind of medication when he wrote:

> There is virtue in the open;
> There is healing out of doors.
> The Great Physician makes his rounds
> Along the forest floors.

Common things occur commonly, and we see common things often. Medicine practised at its best is made up of little things. It concerns people, their little pains and aches, their little troubles and worries. A good talk is, for most patients, better than a pocketful of pills. Medicine is a humble profession and one needs humility to practice it at its best. There is not much that we can cure or should profess to cure, but we can help a lot. This humility has been expressed very well by a French physician who said, "I treated him. God cured him."

Hon. John J. Kinley: Honourable senators, the bill we are now considering is simple and has been thoroughly discussed. However, it has certain implications. It is a sad reminder that in the forward movement in the constant battle against disease we have met with a creeping disaster, not of our own making, but which comes from advanced knowledge at the very centre of applied science in Europe. It has created a situation which many countries must face at the present time. I said "disaster," yes, but I did not say "failure", because I believe that the wonder drug and the achievements which have been secured by its use will, in the future, be regarded as one of the steps forward in this century.

This bill simply prohibits the use of two drugs, restricts the use and distribution of samples, and gives the Government power to pass regulations by order in council. I think all this is necessary and is readily supported. Sometimes we criticize the method of regulating by order in council, but the world

is moving faster and statute law is now too static to be wholly efficient for present-day affairs.

We listened to the speech on this bill by the honourable Senator Sullivan, a distinguished surgeon. I often think of how wonderful it is to be among distinguished senators who are specialists and who advise us on intricate and important problems, and Senator Sullivan is one of those.

We heard speeches from Senator Gershaw and Senator McGrand, who are also medical doctors. Senator Gershaw is most highly regarded in the Senate. He is the kindest of men. I know that he looks after the medical problems of many of the older members of the Senate, and we appreciate it very much. He is a man who does not speak from the ivory tower. I do not know if he ever uses those strange words that Senator Sullivan told us about and which are contained in the medical vocabulary.

We have just listened to Senator McGrand, who made a peculiar speech. At first I thought he was a therapeutic nihilist, but as he went on he got down to something good, and he made a splendid speech. It was a moving speech, one that appealed to the sentiment. Sometimes we are carried away by sentiment, and we are led by our hearts instead of our minds. I must say, however, that while we admire people who are clever and who can do things, we are moved by appeals to the heart. I have found that true in political life, and I think I can apply it to the speech of my honourable friend.

Senator McGrand comes from the Maritimes. I remember a distinguished lady who came to the Maritimes at one time and said, "I am now in the place where wisdom abides". Some of the things that have happened in Ottawa recently have made me think that wisdom does indeed abide in the Maritimes. I think Senator McGrand should make that speech before the Canadian Medical Association. After all, he is a doctor, and if he has opinions that are as strong and as convincing as those he has expressed tonight, then they should be heard by a lot of people who feel that medicine is a great science.

I was asked by our Leader (Hon. Mr. Macdonald, Brantford) to say something in the debate on second reading of this bill. I suppose this is because I have had over 50 years of active service in the practice of pharmacy. I remember that when I first went into pharmacy we made up our own pills, elixirs, emulsions, tinctures, ointments and other preparations. That practice prevailed for a long time and then the pharmaceutical houses got going. They made up prescriptions, put them in gallon bottles and went around to the doctors saying: "This is a good thing". The doctors tried it, and gradually those large companies obtained most of the trade in the country. Their business has developed, and now in the larger sphere they are the makers of these so-called wonder drugs.

There has been a great change in the practice of medicine and in the production and use of drugs. However, while we do not know everything, and from time to time mistakes are made, I think on the whole there has been progress.

I now have to pay some attention to the speech of the honourable Senator Sullivan, because he was honoured by his Leader (Hon. Mr. Brooks) in being asked to sponsor the bill in this house, and I wish to commend him on a few things he said. He spoke about the esoteric vocabulary of the learned professions, especially the medical profession. He quoted Oliver Wendell Holmes on the importance of the law, and then paid tribute to law and medicine by saying they are two of the greatest forces in the molding of civilization. I think he might have included the engineers with the lawyers and the doctors. Had he done so, I think he would have had a good argument. It is my opinion that the engineers have made a very important contribution.

However, as a practising pharmacist for over 50 years I do not think we need put a divine cloak on the medical profession at this time, although we admire its members greatly. I may say that in my own family I have two surgeons affiliated with the Royal College of Surgeons, I have a nephew in California who is a brain surgeon, and four of us are pharmacists. So I am continually in the theatre of discussions about such matters as this.

Senator Sullivan has said that the recent catastrophic appearance of malformed babies reportedly associated with the drug thalidomide was due to a lack of scientific knowledge, and not to a deficiency in the law. I agree with that.

I have here a pamphlet from a drug company that says practically the same thing. I must confess that I am a shareholder in two of these companies in the United States, and I have been following their activities. Here is a monthly report on the company's financial affairs which is sent to all shareholders. It also reports upon the manufacture of certain drugs that are being placed on the market.

Senator Sullivan also said that protection against the unknown cannot be legislated. I agree with that, and it is in the reports that I get from these manufacturers. They also agree. However, the unknown is always with us, as is research into the unknown. We have

to deal with the unknown, and I am sure our medical friends deal with the unknown in a controlled and practical way. They know how far they can go, and we accept their opinions because they are educated people.

The Honourable Senator Sullivan spoke very highly of the personnel in the health departments of this country, and I agree with what he said. It was my privilege to represent the Senate as an observer at the United Nations in 1960, at which time there was a committee dealing with the traffic in narcotics. It was really a plenipotentiary conference of nations set up for the purpose of finding out if it was possible to have one convention instead of nine to cover the whole field. I attended its sittings. While it was a committee on public health and welfare, and everybody was concerned with public health, it dealt with the interests of individual countries because one was in production and another was in traffic. On the whole, it was a tedious affair. What I want to say is that the representative from Canada stood out splendidly among the representatives of 100 nations. I remember one of our men showing me one day a note that came from the Russians in which the Canadians were congratulated upon their fine contribution to the debates and on the action they took in committee. I thought that was very good.

However, the committee kept busy for a long time but did not get very far. Finally, they framed a resolution which they thought would cover the subject, but 40 nations had to sign it before it became operative, and to this date only 14 have signed. As the United States is against it, it has very little chance of passing. I do not know why the United States is against it. Perhaps it thought it involved too much compromise. However, whether it was or was not, the idea was voiced that too many countries were allowed to continue in the processing field, and it was thought that it should be better controlled.

The fact remains that the delegation from the Canadian Parliament was considered one of the best. They took an interest in their work, they worked hard, and applied their knowledge. I am glad to say that they were very effective in that organization and we are proud of them; I am also glad that Senator Sullivan paid them the tribute he did in his speech.

Senator Sullivan says that the Government is going to appoint a special commission to look into this drug question and that the Royal College of Physicians and Surgeons will help. That is all to the good. The senator went further and said that both the manufacturer and the Government now take every precaution they know of to make prescription drugs as safe as practical modern science can now make them. That is exactly the same comment as I have here from a pharmaceutical company.

I agree with this, but when it says that "prescription drugs are as safe as practical modern science can now make them," the question raised in my mind is as to the distribution to the public, which is most important. There should be a record of every sale of potent drugs and of those which need to be carefully watched. The best record is a prescription.

If the inspector from Ottawa comes into our stores and sees in our record that somebody has got too many prescriptions for a narcotic or something of that kind, it is likely that he will interview the doctor concerned. He may find that the doctor has given the prescription, but how much has the patient used that he never had a prescription for at all?

Of course, salesmen visit the doctor and sell him drugs, and the doctor has special privileges. Sometimes a girl who is acting as receptionist or bookkeeper will hand out these things. I cannot see that there is an accurate record kept.

In the organized centres where there are important surgeons and medical men, I can understand that there are good records kept; but I can say from my experience—and I had six drugstores when I was actively in the business—that if we desire to prevent narcotic or other dangerous drugs getting into the hands of the people, it will be necessary to have better control in the doctor's office.

With regard to thalidomide, Senator Sullivan said that credit should be given where credit is due. I think he was a little unfair to the Americans in his statement. I have reports here from the press of the United States, from *Life* and other publications. The senator said that the Press deals in news and that he looked for facts. Well, this is a report in *Life* on the thalidomide affair, and I feel that it was a very fair one. If you read what appeared in *Life* and in the weekly section of the Ottawa *Citizen*, you will find that the reports are pretty good. To be fair to the Americans I should like to read from the report in the Ottawa *Citizen* Weekend Magazine:

> On March 8, an application to market thalidomide in the United States was withdrawn. The application had never been approved in the U.S. because Dr. Frances Kelsey, a Canadian-born scientist from Cobble Hill, B.C., a federal pharmacologist, had been dissatisfied with the scientific data in support of the drug and had held it up. For her efforts, Dr. Kelsey was awarded a distinguished-service citation by President Kennedy.

Why had Canada approved the drug when the United States had held it up?

Hon. Mr. Sullivan: May I interrupt the honourable senator? The drug had never been tested in the United States.

Hon. Mr. Kinley: I will come to that. The honourable senator means it had never been tested by the Government?

Hon. Mr. Sullivan: Yes.

Hon. Mr. Kinley: It was never used, it was never authorized in the United States. They would never allow it.

Hon. Mr. Sullivan: They had not tested it.

Hon. Mr. Kinley: The report continues:

> Dr. Kelsey had a simple explanation. She said: "I'm not sure that communications between scientists are as good as we would like them to be."
>
> What will be done in future?
>
> Doctors hope that out of Canada's new look at its drug situation may come a clearing house enabling a rapid exchange of world scientific information.

It seems to me that Senator Sullivan was a little unfair when he said:

> As a matter of fact, the authorities in the United States never got around to testing it. So let us give credit where credit is due.

Dr. Kelsey had charge of the Food and Drug organization in the United States. Pressure was put on her from various quarters. There was pressure from the big organizations, claiming that this drug was being used in other countries and that these organizations now were losing money. It was said also that people were dying because they were not being allowed to use this drug. However, she would not give in. As a result, the United States is fairly clear of this trouble.

I have here a report on the Russian situation, which I might sum up in these words:

> Finally, if research is separated from production, as in the Soviet system, the process of getting laboratory items into production and out to the consumer is drastically slowed.

They were behind because they did not allow the manufacturer to put it out and distribute it. In Canada and in the United States, we are told, if the manufacturer is made liable he will be especially careful; that it is a good way to do it and it will save time.

One must remember that there is a large capital investment in this research. It is said that about 3,000 items may be processed before the right one is found, but when it is found it is like a gold mine rush to get it out, for fear that someone may steal the patent. The manufacturer wishes to make a profit from it and put it on the market, and also I suppose he thinks it is good for the people to have it.

We can see that Dr. Kelsey performed a great service. I do not know how much she knew about this drug. She took a big chance and, in spite of the protests, she succeeded and thus performed a wonderful service for the American nation.

Canada is a small country and therefore we should profit from research elsewhere. The results of research should be free to the world. We should copy as much as we can from those nations which have money to engage in such research, and we should have an arrangement with them to get the benefit of the work they are doing.

The Japanese became a great country through being good copyists of other countries. In my own business I may go to the United States to find something which would be profitable to manufacture, I bring it home, and copy it. I must do that, because I am a small manufacturer and the big man has the facilities and the capital.

There is another aspect of this matter. In the Standing Committee on Banking and Commerce the other day we discussed the question of depreciation and the expense of research work. It was said that an allowance would be made, equivalent to 150 per cent of the expenses on research work. I asked the civil service departmental representative there if research on drugs would come under that provision, and he said he thought it would. If the Government is going to pay for research it should encourage companies to be more concerned about the quality of their goods than about profits.

Senator McGrand delivered a splendid address, and told us a great deal about drugs. Throughout my lifetime there have been potent drugs, as, for instance, strychnine, a strong poison, yet when a sixtieth of a grain was administered it proved to be an excellent stimulant. One drug, heroin, was removed from the register of Canada, yet all doctors agree that it is an excellent drug. Its importation was stopped because it was used by drug addicts in certain sections of the country. Perhaps, like bootlegging of alcoholic beverages, its prohibition tends only to accentuate the demand for it. Whether or not it is wise to prohibit is debatable. It seems to me that we should take that aspect into consideration.

Many will recall the breakthrough of sulpha drugs. Nowadays sulpha drugs have a higher sale than all other antibiotics combined, except aspirin which takes the lead.

Honourable senators, I want to read a passage on sulpha drugs, from a book which I have before me. This I think will be of interest.

> In 1936 a President's son lay gravely ill in a Boston hospital with a raging streptococcic sinus infection. A very new and strange and exciting drug derived from a beautiful brick-red dye was given to him to swallow. Within a few hours his temperature began to subside and recovery, as doctors like to phrase it, was uneventful.
>
> A dozen years before, another President's son had suffered a similar bloodstream infection. He had blistered his heel while playing tennis and blood poisoning developed. In spite of every skill of medical science, the young man died.
>
> The President's son who recovered was Franklin D. Roosevelt, Jr. The President's son who died was Calvin Coolidge, Jr. The few years of time that separated their illnesses marked the end of an old era of medicine and the beginning of a new age that is so much a part of our lives that we take it for granted. If you were asked to name a time in history when medical science had practically no synthetic drugs that were potent, specific agents against systemic bacterial infections, you might guess fifty or a hundred or more years ago—way back in the era of the horse and buggy doctor, at least. But as history goes, it was only yesterday—in the middle 1930's—that such drugs began to change the practice of medicine.

I remember the days when physicians were struggling with diseases which were not understood as well as they are now, and remedies which were slow to take effect. There was no other way possible then. I also recall when "606" came along as the cure for syphilis, and that created quite a stir. Many were facetious about it, but nevertheless it helped considerably. Dr. Frederick Banting's discovery of insulin was one of the marvelous discoveries in medicine. Governments are financing its distribution to diabetic patients.

Some years ago in a large dye factory in Germany, a scientist noticed some peculiar features in connection with certain dyes, and he made some experiments on mice with good effect. His little daughter pricked her finger and had a streptococci infection and was terribly ill. He injected this stuff into the little girl. The next morning her fever was allayed and her temperature was normal. That was the breakthrough of the sulpha drugs, and its use has been prevalent ever since.

Science has made great advances. We do not accept those advances readily, but we are realizing more and more that we are in jeopardy every hour, and that eternal vigilance is the price of safety. We must learn as we go. Knowledge is power. Without scientific knowledge, what would be the position of the United States in the world today? New scientific knowledge will continue whether we like it or not, and it remains for us to be willing to accept and benefit from such knowledge as it becomes available to us.

Honourable senators, I think the bill before us is all right and that we should vote for it. I like the idea of the Government forming a committee to discuss these matters. Some years ago—I believe in 1941 or 1942—I was on a committee of the other house on social security. At that time I was astonished at the presence of so many representatives of different cults, and I wondered if the regular medicine man would have to retire from the field. They were splendid people, prosperous and intelligent, but I had the idea that they were claiming too much. We even had Christian Science practitioners from the United States, and other religious people with certain ideas. I was amazed at the different opinions expressed and the many methods of curing or healing. Such people are sincere in their views, and I feel they should be respected to a degree. However, it seems to me that we must go forward. In this country we have medical men of the right calibre, and also the material which, employed with care, is bound to be good and will be of help to the nation in the future.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Sullivan, bill referred to Standing Committee on Public Health and Welfare.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, December 12, 1962

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

Prayers.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Report of the Fisheries Research Board of Canada for the fiscal year ended March 31, 1962. (English and French texts).

Supplementary Estimates (B) for the fiscal year ending March 31, 1963.

PRIVATE BILLS

QUEBEC FIRE ASSURANCE COMPANY—FIRST READING

Hon. Cyrille Vaillancourt presented Bill S-18, respecting Quebec Fire Assurance Company.

Bill read first time.

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

Motion agreed to.

CO-OPERATIVE FIRE AND CASUALTY COMPANY—FIRST READING

Hon. Donald Cameron presented Bill S-19, respecting Co-operative Fire and Casualty Company.

Bill read first time.

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

Motion agreed to.

FOOD AND DRUGS ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Clarence J. Veniot, Chairman of the Standing Committee on Public Health and Welfare, reported that the committee had considered Bill C-3, to amend the Food and Drugs Act, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Sullivan moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

THE PHARMACY EXAMINING BOARD OF CANADA—REPORT OF COMMITTEE

Hon. Mr. Veniot reported that the Standing Committee on Public Health and Welfare had considered Bill S-15, to incorporate The Pharmacy Examining Board of Canada, and had directed that the bill be reported with the following amendments:

1. Page 1, line 27: After "from" insert ", or registered by,"

2. Page 3: After subclause (7) of clause 6 add sublause (8) as follows:—

"(8) Any person appointed to fill a vacancy on the Board shall hold office for the unexpired portion of the term for which his predecessor was appointed, and for purposes of reappointment shall be deemed to have served a full term."

3. Page 3: Strike out clause 7 and substitute therefor the following:—

"7. Where any appointing body fails to appoint a member to the Board within a reasonable time after a vacancy occurs, the registrar-treasurer of the Board shall notify such appointing body by registered mail of such failure."

4. Page 4, line 23: Strike out "subsection (1)" and substitute therefor the following:—"this Act".

5. Page 4: Strike out paragraph (b) of subclause 1 of clause 12.

6. Page 4: Strike out subclause (2) of clause 12 and substitute therefor the following:—

"(2) Where any person registered under this Act has been registered, licensed or otherwise authorized to practice pharmacy under the laws of any province and such registration, license or authority has been revoked or suspended under the laws of that province, the Board may direct that the name of such person be removed from the Register."

7. Page 5, line 39: Strike out "authorized" and substitute therefor the following:—"registered".

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

Hon. Mr. Kinley: I would like to have it considered now.

Hon. Mr. Croll: It cannot be considered now.

Hon. Mr. Macdonald (Brantford): I understand that the honourable sponsor of this bill (Hon. Mr. Kinley) would like to get it before

the House of Commons as soon as possible, and for that reason he is asking that he be allowed at least to explain the amendments at this time.

The Hon. the Speaker: Honourable senators, with leave of the Senate, it is moved by the Honourable Senator Veniot, seconded by the Honourable Senator Cameron, that this report be adopted now. Is it your pleasure to adopt the motion?

Some Hon. Senators: No.

The Hon. the Speaker: Do I understand that there is not unanimous consent?

Hon. Mr. Macdonald (Brantford): Honourable senators, it is my understanding that the honourable senator does not ask for the adoption of the amendments today, but he does wish to explain them so that the house may consider them over night.

Hon. Mr. Brooks: Honourable senators, I think that an explanation of the amendments would be in order. We shall then have a better understanding of the effect of them. Speaking for myself, I see no objection to our allowing the honourable senator to explain these amendments now.

Hon. Mr. Lambert: The amendments are unusually lengthy, and I found it difficult to follow the reading of them. I should think that honourable senators would be better able to understand Senator Kinley's explanation after they have read the amendments, which will appear in the *Minutes* tomorrow.

Hon. Mr. Roebuck: I have no objection to an explanation of the amendments today so long as the report is not adopted today.

The Hon. the Speaker: Honourable senators, my intention was to put the motion for consideration now, and then allow the honourable senator who has charge of the bill to make his explanation. It would then be open to some other honourable senator to adjourn the debate until the next sitting.

Hon. Mr. Kinley: The amendments are very simple. Though there are more than a few of them, I would point out that they are all directed to the protection of provincial rights. I do not think they are directed to any other purpose. I do not have the bill before me at this moment, and if honourable senators wish this report to be considered tomorrow then I shall explain the amendments tomorrow. As far as I am concerned there is no urgency about the bill.

On motion of honourable Senator Pouliot, debate adjourned.

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PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING

Hon. Charles L. Bishop, Chairman of the Standing Committee on Standing Orders, presented the committee's first report:

> Your committee recommend that the time limited for filing petitions for private bills (other than petitions for bills of divorce), which expired on Thursday, November 8, 1962, be extended to Friday, December 21, 1962.

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

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

Some Hon. Senators: No.

Hon. Mr. Bishop moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

DIVORCE

BILLS—THIRD READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-438, for the relief of Marie Aleta Meerovitch.

Bill SD-439, for the relief of Barbara Ann Sobrian.

Bill SD-440, for the relief of Marie Marguerite Nicole Fraser.

Bill SD-441, for the relief of Elizabeth Gray.

Bill SD-442, for the relief of Iva Baumgartner.

Bill SD-443, for the relief of Eileen Myrtle Burns.

Bill SD-444, for the relief of Donat Theriault.

Bill SD-445, for the relief of Anita Margaret d'Esterre.

Bill SD-446, for the relief of Daisy Emily Dorothy Ryan.

Bill SD-447, for the relief of Elizabeth Peck.

Bill SD-448, for the relief of Giovanni Pallotta.

Bill SD-449, for the relief of Lise Hogue.

Bill SD-450, for the relief of Millicent Vera Seagrove.

Motion agreed to and bills read third time and passed, on division.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 461 to 504, which were presented yesterday.

On motion of Hon. Mr. Roebuck, chairman of the committee, reports adopted.

INTERPARLIAMENTARY UNION

FIFTY-FIRST ANNUAL CONFERENCE AT BRASILIA—DEBATE CONTINUED

The Senate resumed from Tuesday, December 4, the adjourned debate on the inquiry of the honourable Senator Thorvaldson calling the attention of the Senate to the Fifty-first Annual Conference of the Interparliamentary Union held at Brasilia, Brazil, 24th October to 1st November, 1962, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

(Translation):

Honourable J. M. Dessureault: Honourable senators, it is a real pleasure for me, following honourable Senators Thorvaldson and Beaubien (Provencher), to bring to your attention the participation of the Canadian parliamentarian group to the recent Inter-Parliamentary Conference held in Brasilia, Brazil.

The statutes of the Interparliamentary Union describe its aims as follows:

> The aim of the Interparliamentary Union is to promote personal contacts between members of all Parliaments, constituted into National Groups, and to unite them in common action to secure and maintain the full participation of their respective States in the firm establishment and development of democratic institutions and in the advancement of the work of international peace and co-operation.

The Interparliamentary Union will also study and seek solutions for all questions of an international character suitable for settlement by parliamentary action and shall make suggestions for the development of parliamentary institutions, with a view to improving the working of those institutions and increasing their prestige.

Canada was a member of the Interparliamentary Union from 1900 to 1927, but did not renew its membership until 1960 on the occasion of the Tokyo Conference. Since that date, our country has played a remarkable role within this important international organization.

The conferences of this organization are convened annually by the Interparliamentary Council, on the invitation of the Parliament concerned.

As I said earlier, the 51st Interparliamentary Conference was held this year in Brasilia, Brazil, from October 24 to November 1 last. The Canadian delegation was headed, as you know, by honourable Senator Thorvaldson to whom all delegates owe a great deal. Senator Thorvaldson promoted, within the Canadian group, a sustained and effective action, especially with regard to the conferences. In fact, since 1960, he has led with vigour, competence and enthusiasm our delegations to Tokyo, Brussels and Brasilia. His leadership was for us a source of inspiration and I wish to commend him for it.

I have attended each Interparliamentary Conference since 1960 and, in 1958 I had been at the one held in Rio de Janeiro as an observer. This year's conference was to take place in Buenos Aires, as previously announced, but Argentina had to withdraw its invitation because, as you well know, its parliament had ceased to function. It was then that the Brazilian group, in order that the Union could get out of a difficult situation, displayed a fine spirit of fellowship and said it was willing to welcome the Conference on the dates already set. I must say that the Brazilians spared no effort to succeed, as well they did, in the arduous and delicate task of organizing the Conference on such short notice. I cannot find words to tell you about the magnificent welcome given to the parliamentary representatives who were meeting in Brasilia, by the Brazilian group, the government of the Republic, the press and the people. The fifty-first Conference did a good job. Its meetings were held in an atmosphere of sympathy and interest.

Our plane took off from Ottawa on Saturday, October 20, and first landed the next morning at Rio de Janeiro, former capital city of Brazil. Its population is about four million people. Because of its location near the sea, the mountains and the forests, that city deserves to be called the marvellous city. It was the seat of the Conference of the Union in 1958. Its harbour is the hub of the most active import and export market in the country. We were given a hearty reception by His Excellency Jean Chapdelaine, Canadian ambassador to Brazil; he placed his personnel at our service, particularly Messrs. R. M. Middleton and R. W. Nadeau; he arranged a visit of the city, of his residence and of the legation; he also gave us a remarkable synthesis of the situation in Brazil. We are deeply grateful to His Excellency and to his charming wife for their cordial hospitality.

We were proud to note that Canada is splendidly represented in Brazil.

Unfortunately we stayed only a short time in that charming city. We then proceeded to Brasilia, our ultimate destination, located 600 miles in the hinterland.

In view of the seriousness of the international situation, as well as the importance of the Interparliamentary meetings that were to be held there to promote the welfare of the world, Brasilia seemed to us the capital city of hope and an oasis of peace.

Brasilia is an ultra modern capital city. When I visited Brazil a few years ago, it was practically a desert. The idea of building the capital city in the middle of the country dates back to 1822, date of its independence, but the latest basic law of the Republic, that of 1946, states clearly:

> The capital city of the Union will be transferred from Rio de Janeiro to the central plateau of the country.

However, the idea materialized very slowly under the persistent efforts of former president Juscelino Kubitschek while he was in office, from 1956 to 1960, and Brasilia was inaugurated right on the date set by Congress, on April 21, 1960. An old Brazilian dream had come true. The capital city is built on an immense plateau and is a symbol of the boldness, the imagination, the courage and the initiative of the Brazilian people. It now has a population of approximately 200,000 people. However, it is far from being completed. As Senator Beaubien said, there is still much to be done. Lúcio Costa, the town planner who designed the plans of the city, states that:

> The purpose of the Brasilia pilot scheme was the location of a city planned for orderly and efficient work but also a pleasant city suited for dreaming and intellectual outpourings which could later on become, apart from being the headquarters of the government and of the administrative services, one of the most brilliant and receptive cultural centres.

Oscar Niemeyer was the architect who drew the plans of the public buildings.

It is in that 20th century metropolis that the Interparliamentary Conference took place, in order to strengthen democracy and freedom. The opening ceremony was held on Wednesday, October 24, at 10.30 a.m., in the House of Representatives. Mr. João Goulart, President of the Republic of the United States of Brazil, launched with an address, which was loudly applauded, the series of welcoming speeches. After that, the business of the session started in earnest in that same chamber.

The questions which were discussed at the Conference were determined by the Inter-Parliamentary Council at its 90th session which was held in Rome on April 28, 1962 and at which Senator Thorvaldson was present.

I now wish to say a few words in regard to the machinery of the Union which enables all delegates to obtain ahead of time all the information they need with respect to the matters on the agenda. All member countries of the Interparliamentary Union are invited, during the year, to suggest themes for discussion and study at the next Conference. A selection is made by the Council and it is submitted to the following standing committees:

The Economic and Social Committee; the Parliamentary and Juridical Committee; the Committee on Non-Self-Governing Territories and Ethnic Questions; the Committee on Political Questions, International Security and Disarmament; the Committee on Cultural Questions.

These Committees meet once a year, in the spring, and pass resolutions on each question. In this way, preliminary papers for the conference may be distributed several months before discussion starts. Unfortunately, delegates are generally chosen at the last minute and have not always the time, before their departure, to study the matters which will be discussed. The Union also has a permanent secretariat in Geneva under the able and wise administration of Mr. André de Blonay, with whom we regularly correspond, and who keeps us fully informed in every respect. Nevertheless, some Canadian colour should be given to the information received from such a distance and that is why we turn to our Department of External Affairs to obtain all sorts of records on every matter under study. I would like to express our appreciation to Mr. I. W. Robertson, of the Information Division of that Department, who left no stone unturned to keep the Canadian delegation well informed and supplied with relevant records.

All our delegates took part in those debates, whether in the various committees or at the Conference itself. We met every day before sittings in order to decide what our stand would be with regard to matters being discussed or in case of a vote. All problems on the order of the day were seriously and competently considered by each member of the delegation. Debates were conducted in

the best parliamentary tradition, which gave to this Conference the look of an international parliament. That high assembly, consisting of the representatives of 43 nations—several of whom in their colourful national garb—seemed to us the prestigious mosaïc of a world craving for peace.

Senator Thorvaldson listed, in the speech he made on December 4 last, in this house all points which were discussed at the Conference. May I briefly mention two of them. I was more particularly interested in the question of disarmament. When I dealt with the matter, the Cuban crisis had just broken out. That event completely changed the atmosphere of the Conference. Most delegates had to revise their speeches to protest the establishment of Russian nuclear bases in Cuba. In my remarks on disarmament, I mentioned the efforts made by the Inter-Parliamentary Union to find an efficient formula for disarmament. May I quote a brief paragraph:

> Disarmament is the ultimate purpose of the Interparliamentary Union. That is why it was founded in 1889 and that is why it is still in existence today. Failure, will you say! Far from it! I ask you, ladies and gentlemen, what would have been the turn of events in the difficult moments had it not been for the continued efforts of the Interparliamentary Union in the field of disarmament? Each time, its influence has been felt by a majority of member nations, and it has tried to instil the idea of disarmament in the minds of our politicians. . . Certain countries should not be supplied with armaments by powers capable of becoming a threat to peace. On account of the present situation, Cuba or any other country, in a similar situation, should not become a military bastion.

Then I underlined the attitude taken by Canada at the United Nations and at the Geneva Conference on Disarmament, and I ended up by these words:

> As long as certain nations will consider peace treaties and international agreements as mere scraps of paper, as long as they will lack frankness and sincerity, peace shall only be an empty word.

The second item on the agenda which I should like to stress is the proposed convention concerning international steps to be taken against those guilty, in the exercise of public office, of fraudulent enrichment prejudicial to the public interest.

I know that Senator Roebuck is interested in this question. He was a delegate at the Tokyo Interparliamentary Conference held in 1960, and the Parliamentary and Juridical Committee, on which he was sitting, had undertaken the discussion of this problem. He will no doubt welcome the news that a convention in this respect has been approved by the Brasilia Conference. I will gladly give him a copy of this document. We intend to bring it to the attention of the Government, as well as all the other resolutions passed during our sessions.

Naturally, at the Interparliamentary Union, we are expressing our own views without committing the government. The Union is a forum where current international problems can be considered in an atmosphere of complete freedom. The public men and women who take part in the work of the Union have the opportunity to examine closely international issues and thus widen their knowledge. They familiarize themselves with the conditions of life and the aspirations of other countries, thus obtaining a better understanding of the factors which affect the international situation. If the Union does not have the necessary authority to settle the differences between nations, it can nevertheless contribute to bring about an atmosphere of understanding and mutual respect, which is essential to the development of international co-operation and to the strengthening of peace.

Three members of our delegation, Senator Thorvaldson, Senator Méthot and myself, were accompanied by our wives. This made our stay all the more enjoyable and helped us to rest from our trip and from the hard work entailed by the business of the Conference.

Our delegation held a reception for the members of the Union from all parts of the Commonwealth. That family reunion enabled us to exchange our views on common problems. We enjoyed the hospitality of the president of the Republic, of organizations from Brazil, the United Kingdom, the United States, Australia and Spain.

I would be remiss if I failed to mention the unstinting devotedness of the representative from the Canadian Embassy in Brasilia—our embassy is still located in Rio de Janeiro—Mr. Dacre P. Cole. He speaks fluent Portuguese—and so does his wife—and needless to say his assistance was most valuable.

He is a competent civil servant who spared no effort to be of assistance to us.

Honourable senators, I hope that Canada's participation to that conference will help promote world peace and will help the Inter-Parliamentary Union to attain its objectives.

During the various gatherings and meetings, the representatives from Latin America often asked us why Canada was not a member of the Organization of American States, previously called the Pan-American Union. We expressed the hope, in our own personal capacity, that a day would come when we would have the privilege of filling the seat still reserved to Canada in the Organization. We believed that Canada's presence in this gathering of American States showed in a concrete manner the sympathy we have, not only for our neighbours to the South, but also for all Latin American countries who are in such need of our encouragement and assistance in all respects, with whom we have business relations and where we maintain embassies.

Following the Conference, the Brazilian delegation organized a tour of Sao Paulo and we took advantage of it. Sao Paulo is known as the "coffee capital and Latin America's Chicago"; it has a population of 5 million; skyscrapers mushroom all over the place; it is the most important industrial centre in all Latin America; there is a tremendous activity in all fields. I wish to thank Mr. D. M. Holton, Canadian consul and trade commissioner in Sao Paulo, and Mr. R. H. Gayner, vice-consul and deputy trade commissioner, who met us at the airport with their charming wives. These two civil servants do magnificent work on behalf of Canada. We offer them our gratitude and our thanks for all they have done to make our stay at Sao Paulo a useful and a pleasant one.

We left Brazil more convinced than ever of the friendliness of its people and with the impression that it is a land of promise, of love and of beauty. In Sao Paulo, my wife and I parted with our charming companions in order to proceed to Buenos Aires and then visit the main cities of South America; I shall dispense with the details of our return journey. Suffice it to mention that we should be rightly proud of our representatives in Latin America who have contributed so much to earn respect and admiration for Canada.

I could not conclude my remarks without paying a special tribute to our secretary Mr. Alcide Paquette, assistant clerk of the Senate, who was constantly at the service of the delegation and who proved himself very valuable in obtaining and co-ordinating all required information. He showed himself competent, devoted, obliging, active and always on the alert. His services were most helpful and I wish to give him credit for this.

In conclusion, I may say that, nevertheless, we were very glad to return to Canada and, as the old saying goes, we realized that there is nothing as beautiful as one's own country.

(Text):

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

BUSINESS OF THE SENATE

Hon. A. J. Brooks: Honourable senators, that completes the order of business for this afternoon. We had expected to receive Bill C-94, which is now under consideration in the House of Commons. If possible, we would like to give it first reading in this chamber today, and, with the consent of honourable senators, we might have the sponsor of the bill speak on second reading. Therefore, I move that we adjourn now, to reassemble at the call of the Chair, so that if this bill comes to us we might consider it later this afternoon.

Hon. Mr. Pouliot: Is the honourable Leader of the Government sure that it will be available later today?

Hon. Mr. Drouin: It is being voted on in the House of Commons now.

Hon. Mr. Brooks: I understand they are voting on it now.

Hon. Mr. Macdonald (Brantford): At the moment they are voting on the Speaker's ruling.

Hon. Mr. Aseltine: I understand they are dealing with third reading.

Hon. Mr. Macdonald (Brantford): I have just received word that the bill was called for third reading in the other house and that an amendment was moved. The Speaker has ruled the amendment out of order, and that ruling has been appealed. Whether there will be any debate after that is decided, I do not know; however, I think the suggestion of the Leader of the Government is a good one, that we should rise for half an hour, to reassemble at the call of the bell.

Hon. Mr. Brooks: We shall reassemble at the call of the bell, not later than a quarter to five.

Hon. Mr. Pouliot: If the bill comes to us for consideration this afternoon, will we have copies of it before the debate begins?

Hon. Mr. Brooks: I believe we have had copies for some time. It is the bill regarding the Atlantic Development Board; it has been under debate for some time in the other place, and I am sure that each honourable senator has a copy of it on file.

Hon. Mr. Macdonald (Brantford): I understand that if the bill comes to us within a reasonable time it will be explained by a senator on the Government side, after which a senator on this side may either speak today or adjourn the debate. In any event, the debate will not be concluded today.

Hon. Mr. Brooks: That is quite right. A number of honourable senators wish to speak on it. I may say it is a very important bill, having to do with the Atlantic provinces.

The Senate adjourned during pleasure.

At 4.45 p.m. the sitting was resumed.

ATLANTIC DEVELOPMENT BOARD BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-94 to provide for the establishment of an Atlantic Development Board.

Bill read first time.

MOTION FOR SECOND READING—DEBATE ADJOURNED

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

Hon. Mr. Choquette: With leave, I move second reading of the bill now.

Hon. Frank C. Welch: Honourable senators, as this is the first time I have undertaken to speak in this chamber, I know you will allow me to say a few words of a personal nature before discussing the bill before us.

I would like to say, first of all, how greatly I appreciate the privilege of being a member of this body. I regard it as a tremendous honour and I am grateful, and always will be grateful, to our Prime Minister for having conferred this honour on me. Also, I want you to know, honourable senators, that I have deeply appreciated your words of welcome and the many good wishes you have expressed. Further, I would like to take this occasion to express the thanks of my wife and myself for the many acts of kindness which have been shown to us by honourable senators and others since we came to Ottawa.

And now I wish to discuss briefly the bill before us. The bill provides for the establishment of a corporation to be known as the Atlantic Development Board, and sets out that the duties of this board will be to inquire into and report to the responsible minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada. As you know, this region is made up of the provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

Honourable senators are probably well aware that it has long been the contention of the people of the Atlantic area that their provinces are entitled to some special consideration and treatment from the federal Government. They claim this special treatment because they feel they have special problems which are the result of their being a part of Canada, and that these problems can only be solved by federal Government action. The people in the Atlantic area well realize that economic growth and development in their provinces has not kept pace with the growth and development in the other regions of Canada. They are convinced that it is this lack of economic growth which is responsible for lack of opportunity in this area, as compared to the rest of Canada; that it is responsible for the fact that the average wage rate in their region is lower than the national average, that capital investment there is less per capita than in the other provinces, and that job opportunities, especially for young people, are fewer than in other regions.

You may ask what is the cause of this unhappy situation, and I would have to tell you I cannot give a complete or satisfactory answer. Many and varied reasons have been put forward to account for the situation which exists. I shall mention a few of them just to illustrate why we believe we are entitled to special treatment by the federal Government.

There is still a belief—in Nova Scotia, at any rate—that our special problems have their roots in the very fact of Confederation itself. Those who hold this view claim that, by becoming a part of Canada we lost our natural trade advantages and broke our logical trading pattern, with the result that our new trade with central Canada could never develop as it would have developed with the United States. Others will say that our situation is due to the lack of natural resources and our own inability to adjust to changing economic conditions.

But the most widely held belief and conviction is that our lack of economic growth

and development results from the trade, tariff and transportation policies of federal Governments over the years. It is believed that such policies had the tendency to build up large industry in central Canada and, as a result, small, local industry in the Atlantic region could not continue to exist.

It may be that all the reasons I have mentioned have contributed to our problem. In any event, I do not think it would serve any useful purpose to discuss old grievances at this time. Because, whatever the reason may be, the hard fact remains that our economic growth and development has not kept pace with that of the rest of Canada and, as a consequence, there exists in the Atlantic region a special problem or situation which not only requires but demands special treatment and action by the federal authority.

I may say we feel that necessary action must be taken by the federal Government, for we are convinced the provincial governments do not have the necessary financial resources and, in some cases, the legislative jurisdiction required to attack the complex problems involved. This is not intended to minimize in any way the work which has been done by the provincial governments involved. They have been active; they have worked hard and have done much to encourage and stimulate economic development. And the people themselves have been active through local groups in cities and towns, through the Atlantic Provinces Economic Council, and other organizations. The problems facing us have been examined and investigated by these groups, especially by the A.P.E.C. organization. As a result of their investigations, I believe it is realized that to foster, encourage and stimulate economic growth and development in the area, an Atlantic Development Board of some kind is necessary.

I think I should interject here that I would not want the impression to be taken from my remarks that in the past federal governments have not assisted the Atlantic provinces. They have assisted us but, generally speaking, special assistance was given in response to a specific request for aid, as in the case of the coal industry, the fishing industry, and the agricultural industry. While such assistance was of great value at the time it was rendered and while special financial assistance has been of considerable benefit, yet it is believed that the whole problem of the lack of economic growth should be attacked in a systematic way.

The purpose of the bill now before us is to establish the Atlantic Development Board. It will consist of five members together with such staff as is necessary for the conduct of its business, and it may also engage the services of persons having technical or specialized knowledge. As its objects and powers require it to inquire into measures and projects which would foster economic growth, it follows that the proposed board is an advisory one, and that the responsibility will rest with the federal Government to put the recommendations of the board into action. Personally, I think this is a good feature of the bill, although I realize others may feel that the board should be provided with certain financial grants and be authorized to use them to undertake such projects as it thinks best. However, we can anticipate there will be a large number of proposals placed before the board—many perhaps of equal merit and importance—and if the board had to decide which to proceed with first, or the priority to be assigned, then it could well lose some of the respect and confidence we hope it will enjoy.

Already various proposals have been made as to projects the board should investigate in the different provinces, and in Nova Scotia I know we feel it should examine not only the possibilities of having new industries established, but also the means whereby existing industry could be strengthened, improved and expanded—industries like steel, coal, fishing and agriculture.

Personally, I would like to see the board investigate as to what the effect would be on the market for Nova Scotia apples in Great Britain if that country decides to enter the Common Market. I do not mention this from a selfish point of view, although I am a grower of apples and have been for many years, but only to illustrate the manner in which such a board could render valuable service.

Most of the Annapolis Valley apple crop is sold in Great Britain, and the growers would like to know just what effect, if any, the entry of Great Britain into the Common Market would have on this business. We know that some Common Market countries are large producers of apples, and if we are to be adversely affected we would like to know it in good time so that the growers could seek new markets for their crops. If Government assistance should be needed to obtain such new markets or for any period of adjustment, then the board could make the necessary recommendations. If it turned out that there would be no injury to our present apple market should Britain join the Common Market, the board could give a realistic appraisal of the possibility of new markets, for example, in the West Indies and other countries.

Honourable senators, I have not explained this bill in any great detail, as I expect the

various clauses will be examined in committee. I do believe the principle of the bill is good, and I commend it to you.

Hon. Harold Connolly: Honourable senators, may I extend my congratulations to the honourable senator who has just introduced himself as the sponsor of this bill (Hon. Mr. Welch). He comes from one of the wealthy sections of Nova Scotia, the land of Evangeline, the heart of the fruitbelt. When I find a citizen of that section of Nova Scotia opening his heart to the people of the less fortunate sections of the province, I am overwhelmed and almost speechless.

Hon. Mr. Choquette: Is that possible?

Hon. Mr. Connolly (Halifax North): I was intrigued, too, to hear his political philosophy. Indeed, I wondered as he went on in the fashion of Joseph Howe, that greatest of all Nova Scotian Liberals, how he ever managed to find himself in his present political camp. However, having said that may I offer him my congratulations on the excellent way in which he has presented this bill.

As many of my intimates know, I am a man of very few words but, even so, I do not have the opportunity this afternoon, having regard to the limited time available to us, to say all of the things that must be said about this bill. Offhand, it appears to me to be suffering from pernicious anaemia, but before going into that aspect of the situation, I now move the adjournment of the debate.

Hon. Mr. Choquette: Honourable senators, in the absence of the honourable Leader of the Government (Hon. Mr. Brooks) may I ask the consent of all honourable senators to allow the resumption of this debate to appear as Item No. 1 on the Orders of the Day for tomorrow?

Hon. Senators: Agreed.

Motion agreed to and debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, December 13, 1962

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

Prayers.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-451 for the relief of Roland Boisvert.

Bill SD-452, for the relief of Gordon Richard Alexander Ramsden.

Bill SD-453, for the relief of Vivian Geoffrey Power.

Bill SD-454, for the relief of Marchetta Lino Edwards.

Bill SD-455, for the relief of Ingeborg Schmidt.

Bill SD-456, for the relief of Vickie Marks.

Bill SD-457, for the relief of Jean Mildred Fillmore.

Bill SD-458, for the relief of Kathleen Edna Belchem.

Bill SD-459, for the relief of Pamela Blair.

Bill SD-460, for the relief of Arlene June Kaczur.

Bill SD-461, for the relief of Bernard Hebert.

Bill SD-462, for the relief of Jacqueline Serrati.

Bill SD-463, for the relief of Philippe LeBeau.

Bill SD-464, for the relief of Carroll Lynne Milette.

Bill SD-465, for the relief of Elizabeth Cowan Frawley.

Bill SD-466 for the relief of June Eleanor Holgate.

Bill SD-467, for the relief of Maria Papadakis.

Bill SD-468, for the relief of Edith Diane Greenberg.

Bill SD-469, for the relief of Marie Yvonne Lucie Godard.

Bill SD-470, for the relief of Maureen Carol McAlinden.

Bill SD-471, for the relief of Calvin Harold Robinson.

Bill SD-472, for the relief of Elizabeth Anne Chadwick-Rider.

Bill SD-473, for the relief of Doreen Dreyer Eastwood.

Bill SD-474, for the relief of Margaret Clewes.

Bill SD-475, for the relief of Lee Leopold.

Bill SD-476, for the relief of Rochelle Caplan.

Bill SD-477, for the relief of Therese Rivet.

Bill SD-478, for the relief of Julianna Gulyas.

Bill SD-479, for the relief of Marlene Judith Feinstein.

Bill SD-480, for the relief of Joseph Idolard Bouchard.

Bill SD-481, for the relief of Angelika Tasler.

Bill SD-482, for the relief of Della Harriet McGuire.

Bill SD-483, for the relief of Edward Brown.

Bill SD-484, for the relief of Giselle Mignault.

Bill SD-485, for the relief of Joan Reid Koken.

Bill SD-486, for the relief of Gwynneth Margaret Forget.

Bill SD-487, for the relief of Marjorie Edith Leroux.

Bill SD-488, for the relief of Robert Fernand Marcoux.

Bill SD-489, for the relief of Allan Barry Phillips.

Bill SD-490, for the relief of Donna Maureen Vincent.

Bill SD-491, for the relief of William Joseph Rowe.

Bill SD-492, for the relief of Adrien Tellier.

Bill SD-493, for the relief of John Loughheed, otherwise known as John Lougheed.

Bill SD-494, for the relief of Linda Alice Burrows.

Bills read first time.

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

Hon. Mr. Roebuck: On Monday next.

Hon. Mr. Macdonald (Brantford): You are anticipating.

Hon. Mr. Brooks: The next sitting.

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for second reading on Monday next.

Motion agreed to.

BANKRUPTCY ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. A. K. Hugessen, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported

that the committee had considered Bill S-2, to amend the Bankruptcy Act, and had directed that the bill be reported with the following amendments—

He said: Honourable senators, I suggest that we dispense with the reading of the amendments, which cover three pages. With leave, I move that the report be considered at the next sitting, by which time the amendments will have been printed in the *Minutes of the Proceedings.*

Motion agreed to.

For text of report see appendix, p. 446-7.

ADJOURNMENT

Hon. A. J. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Monday next, December 17, 1962, at 8 o'clock in the evening.

Motion agreed to.

ATLANTIC DEVELOPMENT BOARD BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Choquette for the second reading of Bill C-94, to provide for the establishment of an Atlantic Development Board.

Hon. Harold Connolly: Honourable senators, it is not often that I inflict myself upon this house. If, therefore, in the preface to the remarks I propose to make upon this bill, I appear to deviate somewhat from the issues at hand I would ask your indulgence.

I should like to comment briefly on what I regard as a very serious situation in this country—serious to every citizen of Canada. It is a political situation, not in the narrow partisan sense, having to do with political philosophies and the future of the Canada in the political realm.

In the days of my youth there was a two-party system in Canada. People were either Liberals or Conservatives. As the years have passed by there has developed in this country a multiplicity of political parties with varying political philosophies, and I wonder, as do many hundreds of thousands of Canadians, what the future will bring.

I gaze across the ten provinces of this country, and in three of the four western provinces I find governments which are diametrically opposed to the philosophies of the two old-line parties.

There are in Quebec several disturbing and disruptive political entities, aside from the old-line parties. In the Atlantic Provinces, where there is definite solidity in respect to political thinking—perhaps not more so than in most parts of Canada but there is the traditional type of thought which clings closely to the *status quo,* which believes in the things that are good, which holds that the greatest truths are the oldest truths—there is much soul searching as to the developments of the moment.

I say this with every bit of earnestness that I can summon up and by way of warning to my own party and to the other major party in this country, that unless we come to grips with the problems which beset the Canadian people, and abandon this game of political bingo with bigger and bigger prizes being offered almost every day to the electorate, we are apt to find ourselves off the rails with consequences that none of us can easily visualize.

Honourable senators, I would hope, therefore, that our approach to this bill and to all worthwhile legislation—and I designate this as worthwhile legislation—will not be designed merely to catch votes, but that it will be designed, first, to rectify such injustices, economic and otherwise, as may exist, and, second, with an eye to the future of Canada so that its real potential may one day be realized.

Now I pass directly to the bill itself. I have read much and heard much of the discussions concerning it. I have heard it suggested that the bill is a useless thing. I cannot concur in that kind of thinking. Nothing is useless where the intent is worth while. If it is a weak bill, that is another matter altogether, but I decry the thinking which labels it useless.

Honourable senators, in the provinces which this bill pretends to affect there are a million and a half people who for almost a hundred years have been forced by the economic and fiscal system of this country to live as second-rate citizens. In its intent, this bill at least offers some little hope. Of course it is not the best bill that can be produced. Ministers of the Government in the other place acknowledge that fact, so I am not bordering on political controversy when I merely reiterate what has been suggested already.

On the contrary, it is the only tangible gesture in more than thirty-five years since the Duncan Commission of 1926—which to me indicates a rather despicable way of governing any country—that has been offered to the people of the Atlantic provinces. By way of an aside I offer this suggestion—though we may have to summon all our Christian charity to regard it as worth while—would we not be better off to recognize it as a first step, no matter how feeble that step may be.

Early this spring, before the most recent election, the Prime Minister of Canada said,

among other things, two important things to the people of the Atlantic region. He intimated that an industrial development board of some kind would be set up to plumb the problems of those four provinces. He said very specifically that within the next ten years one billion dollars would pour from the federal treasury into those four provinces to assist in their industrial development.

No man reaches the high office of Prime Minister unless he has high qualities, and it would be ridiculous for any of us, no matter of what political leaning, to assume otherwise. Therefore, I assume that the Prime Minister meant what he said, because I cannot imagine that a man occupying such an illustrious post would make statements of that kind without the proper intent.

However, I suggest to you that the Prime Minister has not had from his associates in Government the right and proper sort of cooperation in this effort. He has been badly advised and badly let down, because this bill is, I have to confess, almost innocuous.

The people of the Atlantic provinces expected a robust approach to their industrial problems. They knew, of course, that in the beginning and for quite some time nothing of a startling nature would be produced because for almost one hundred years we have lived as we have lived, and men are not so gifted that they can reach into the ether and produce cures for problems that have so long existed. However, they did expect a sound healthy baby which would grow to adulthood with resultant benefit to the people of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland. Yet they have found, so they say in letters to me, and I am sure to others, that instead of a healthy baby they have been handed an immature, premature embryo, obviously the result of a forceps delivery, and that is not to their liking.

I am confounded and confused, and in my simplicity you will recognize a reason for my confusion by this multiplicity of boards that have suddenly been showered upon us. Before I proceed to deal with that point, may I say that I have no patience with boards. I have less patience with governments, whether they are Liberal, Conservative, or any other political tinge, which abdicate their authority to boards—boards which all too often are made up of people who have a most impractical approach to the problems they are asked to investigate, who view them from an abstract platform from which there is little hope of anything of a practical nature being done.

When I think of the millions of words that have gone into reports of boards and royal commissions, sufficient to start a bonfire to burn continuously for ten years, and most of which I am sure are thrown into wastepaper baskets, and out of which nothing of any real lasting benefit ever came, I question why governments who seek election to office and accept as candidates men who are presumed to know the problems of their particular area do not take advantage of that knowledge, regardless of whether it comes from members of the Government or of the Opposition. However, that is only an aside.

As I have said, I am astounded and confused by the multiplicity of boards which exist at the moment. There is the National Productivity Council. I have a bill on my desk entitled, "An Act to provide for the establishment of a National Economic Development Board," as well as the bill which is now before us, "An Act to provide for the establishment of an Atlantic Development Board." One would think that we in the Maritime provinces were outcasts of a sort. I assure you that we are not Freedomites; we are Canadians from a long time back, Canadians of average, normal intelligence, Canadians who are prepared to work, Canadians who have added to the illustrious records of Canada—and that goes for all four provinces of the Atlantic region. Where do we fit, for example, in respect to the National Productivity Council? Are we inside or outside its scope? Where do we fit in respect to the National Economic Development Board? Are we merely an agency of this organization? Is it sufficient to say that the chairman of this Atlantic Development Board will also be a member of the national board? Is this giving the problems of a million and a half people in this country the attention they require?

I am astounded, too, at the attitude of the ministers of the Government. When I say that this bill was ill-conceived, nothing could more accurately attest to that fact than the apparent confusion that exists in Government ranks, with one minister terming as ridiculous the proposed salary of $3,000 for the chairman of the board, and still another saying that somebody would determine what the exact salary would be—indeed an amendment was passed to that effect—and also saying that the salary would depend upon the type of individual, the amount of work that he does and the results achieved. What a hodgepodge! What are we unsuspecting citizens of the Atlantic provinces expected to deduce from this needless confusion within Government ranks?

I think it is obvious that a part-time board with a part-time chairman cannot possibly hope to accomplish the task with which it will be saddled. And I wonder, too, exactly what the board is going to do. I know what the bill says it will do: it will report its findings to a minister, presumably

one of the ministers from the Atlantic provinces, and it will keep an eye on developments, and so on—the language leaves nothing to be desired. There is nothing wrong with the intent. It is with the potential execution that I am concerned.

Speaking of execution, may I point out that for many years in the Atlantic provinces we have been carrying on research with respect to our own difficulties. As has been said before in this house, many worthwhile organizations have engaged in that effort, such organizations as the Atlantic Provinces Economic Council, the Maritime Transportation Commission, the Research Foundation of Nova Scotia, the Associated Boards of Trade of the province, and kindred services; and there is on hand within these four Atlantic provinces a vast accumulation of information bearing on every problem which affects their million and a half people.

Surely then there is no need for this board to make inquiry, since every inquiry that could possibly be made has been made, and each is fortified with decisions, and any one with an average knowledge of English would be able to interpret them.

Questions were asked in another place about the size of this board. It was said on one occasion that the board should be enlarged to fifteen. To me such a number would be a nuisance, and would simply nullify or seriously impede the work of the organization.

Perhaps I should say what kind of board I would like to see, since I have been so bold as to express certain strong views. Here is an opportunity for Maritime newspaper editors to huddle over their typewriters and go to work. It would be a board without a single citizen of the Maritime provinces on it. It would be a board composed of three men drafted, if necessary, because of their commercial and industrial knowledge—just as we drafted the dollar-a-year men in the propagation of the war effort, because, honourable senators, this too is a war. True, it is a commercial war, but it is nonetheless a war and its outcome is vital not only to our section of Canada but to the whole country because, as one illustrious member of this chamber said to me just before I came in, what benefits the Atlantic region will undoubtedly benefit the rest of Canada. I hope that is true, but whether it is true or not, is it fair that one segment of our population, the people in four out of our ten provinces, should have been compelled to suffer so acutely over so long a period of time, through no real fault of their own?

The honourable sponsor of this bill (Hon. Mr. Welch) dealt yesterday, and most effectively, with some of the thinking in the Atlantic provinces with respect to our economic plight. He said, and truly, that it is largely as a result of the tariff policies of this country. Of course he is right. But in fairness it should also be said that it is partly our own responsibility, for we have not been entirely blameless.

The great need in the Atlantic area is for money. We are a poor section of Canada, and if it were entrusted to me to inquire into these problems I would operate in this fashion: I would concentrate on the fundamental industries of each of the four provinces, and I would extract from them their utmost potential. Far too many people, when they think of industry, think of it in terms of smokestacks belching smoke up into the clouds. Of course that is a part of industry, but let me suggest what could be done in the Maritime provinces. In Newfoundland, there could be proper development of the fishing industry; in Nova Scotia, the proper direction of the coal industry. And on that point, may I say this, and I say it without acrimony but by way of carrying on the argument because I believe in it, that each and every year hundreds of thousands of Canadians dig deeply into their pockets and extract millions of dollars to subsidize the automobile industry of Ontario. If that is a good policy, would it not also be a good policy to dig equally deep to subsidize the coal industry of Nova Scotia? In Prince Edward Island there could be development of the agricultural resources, because there the potential has never been reached; and in New Brunswick, the development of the forest industry.

Honourable senators, this is a subject upon which any citizen of the Atlantic provinces could talk endlessly and perhaps *ad nauseam*. All we ask for in Atlantic Canada is that our children should have opportunities at least comparable to those of Canadian children in other provinces. Is that too much to ask? If this bill does not do so—and at the moment it does not—it can be amended so that it will do these things which require doing. I do not need to point out to any member of the Senate, no matter what may be his place of residence, that of itself this bill does nothing except set up a board to take a look at the problems. That is all it does. There is not the expenditure of a dollar, except by inference, involved in the bill—a part-time board, a part-time chairman.

Honourable senators, this is inadequate. It is not the implementation of the pledge made to the people of Atlantic Canada by the Prime Minister, and to me it is a matter of regret that a man charged with the responsibility of that high office does not have the

opportunity to look at and scrutinize closely every piece of legislation that is presented to him by his subordinates.

Honourable senators, I have just about come to the end of what I have to say. I have already told you that I would make the board one of three members, drafted for their technical knowledge, men who have shown that they have the knowhow, men with proven background and experience, men who can dip into this well of information that is available to them in those four provinces and come up with some worthwhile answers.

I suggest that the Government of Canada, of its own volition, without an Atlantic development board, can give us possibly as much assistance as any by rectifying this iniquitous system of university grants which treats us like poor cousins, almost like paupers, which hampers our universities, and which, to a people as prideful as those of the Atlantic region, is a serious disservice. Give to the universities in Nova Scotia, Prince Edward Island, Newfoundland and New Brunswick at least the national average of university grants. Is there anything wrong with that? I repeat, it is something the Government can do without a commission or board of any kind.

In addition to university grants there is a multitude of things which can be done, but I will not bore you with an enumeration of them. One predominant matter which can also be handled by Government, no matter what its political label, without access or reference to any board, is trade—freer and freer trade. Give the Maritime people in the east the opportunity to trade in their natural markets. Wipe out this present tariff structure; give us the opportunity to buy goods where we can buy them more cheaply, and make our dollars worth more to us. Let us associate ourselves with the European Common Market and the tariff proposals of the President of the United States. I venture to say that in a reasonably short space of time we shall not need handouts, we shall not need Atlantic development boards, because essentially our outlook is on the oceans of the world; our forefathers traded on the Seven Seas, and with more money being made available to us we can do likewise.

Honourable senators, I have concluded. I hope I have not given any offence; such was not my intention. I speak to you as a citizen of the Atlantic provinces, deeply impressed with the needs, and fearful of the lot of claptrap that may ensue because of the lack of specific terms in this legislation now before us, and because the money which we need is only in the far-off distance. But because it is an earnest expression of intention, I intend to support the bill as I hope all honourable senators will.

Hon. G. Percival Burchill: Honourable senators, at the outset may I express my appreciation to the Leader of the Government (Hon. Mr. Brooks) and those associated with him on that side of the house for allowing me the opportunity of making a few observations on this measure this afternoon. Before I deal with the bill now before us, Mr. Speaker, may I be allowed to concur in all the complimentary remarks that previous speakers have made about you, during this session and also about your predecessor in office (Hon. Mr. Drouin), about my old friend the Leader of the Government (Hon. Mr. Brooks) and his predecessor in office (Hon. Mr. Aseltine). I concur most warmly in those sentiments. I would also like to say how much we miss my old friend the honourable senator from Blaine Lake, Senator Horner, who, in the years he has been in this house, has been a diligent and faithful worker, especially when he was in the Opposition and they were few in number. I am sure all honourable members miss him very much and hope that he will soon return in good health.

Now, following my friend from Halifax North (Hon. Mr. Connolly), and as a fellow-representative of the Atlantic provinces, I want to say first of all that we gladly acclaim any legislation which seeks to improve conditions in those provinces. However, I would be less than frank if I did not say that I cannot agree with, nor can I be as enthusiastic as, the honourable Minister of National Revenue in the other house when, in introducing the bill, he said that the proposed legislation is the most forward step ever taken in his lifetime for the benefit of the Atlantic provinces, and that it has tremendous possibilities which will increase the level of income there and will contribute to greatly increased employment in the Atlantic provinces.

Now I, in common with every member representing the Atlantic provinces, welcome any gesture designed to assist the provinces on the Atlantic seaboard, but surely the idea embodied in this legislation is not new or untried, for our provincial authorities individually and collectively over the years have done much in this respect. APEC, for instance, which Senator Fergusson described so well, is very active as a fact-finding body, and brings together the industrial leaders of the four provinces in a deliberate assembly which makes recommendations for the encouragement of industry and the development of natural resources. Senator Fergusson, as

reported in the *Hansard* of October 25, described the policies and the objectives of APEC as being three in number. She said:

> First: research or to get the facts. Much has been done along this line. Second: to foster co-operation within the region. Third: the promotion of interest in the support of the region for industrial development.

APEC, as I say, is a very active organization and has done much in the last few years in the Atlantic provinces, and in addition there have been other provincial bodies which have been active over the years in work of a similar nature.

Away back in 1928 the premiers and other members of the governments of the three Maritime provinces, accompanied by delegates from the Boards of Trade of many cities and towns, undertook a crusade to Toronto where they were entertained by the Maritime Provinces Club of that city, comprised of many prominent and distinguished former Maritimers living in Toronto. As a result of that mission, the Maritime Provinces Trade Commission was established with the object of stimulating trade between the Maritimes and Ontario which was, as it is today, largely a one-way street.

That commission was non-partisan, and was composed of representatives of the three provinces. I recall that the late A. D. Ganong and I represented New Brunswick; the late Governor Frank Stanfield and Mr. Marshall, secretary of the Halifax Board of Trade, represented Nova Scotia; and the late Honourable Walter Lea, Premier of Prince Edward Island, and Mr. Boulter, Deputy Minister of Agriculture, were the Prince Edward Island delegates. We appointed as commissioner the late Mr. R. W. E. Burnaby, and we established an office in Toronto with field representatives in the Maritimes. It is too long a story to relate here, but the commission, born under a Conservative administration in New Brunswick, when the late Chief Justice, J. B. M. Baxter was premier, was allowed to die, and was buried under the same Conservative administration under the leadership of the late Chief Justice Honourable C. D. Richards. Many of those who were active in the beginning resigned because of lack of interest and slow progress, but I was present until the end and was a pallbearer at the funeral. While nothing much was accomplished, we did become convinced that water will not run uphill.

In 1935, when the late Honourable Angus L. Macdonald came into power in Nova Scotia, one of the first things he did was to dispatch a young man to the United Kingdom to make an effort to regain our traditional market there for our eastern spruce lumber. That gentleman is our present colleague, the Honourable Wishart Robertson. We had lost that market when England suddenly went off the gold standard a few years previously, and it is interesting to note that this matter of foreign exchange, which has been prominent in Canadian politics in recent times, has always been an important factor in the fortunes of the Canadian exporter. I recall that on that occasion, when conditions were about as bad as they could be in the Maritime provinces and great numbers were on relief, the Premier of New Brunswick called into Fredericton all the lumber operators and demanded that we start woods operations and provide jobs for the unemployed.

Hon. Mr. Brooks: May I ask the honourable senator what year he is speaking of now?

Hon. Mr. Burchill: Between 1930 and 1935. You were in the house at that time.

Hon. Mr. Brooks: The depression of course was all across Canada.

Hon. Mr. Burchill: Exactly. We pointed out to the premier that there was a market in the United Kingdom, but that the low rate of exchange made it impossible for us to compete with the Scandinavians, Swedes, Finns and Russians who had taken over our market because they were trading in sterling currency. It will be remembered that at that time the pound sterling dropped over night from the traditional $4.86\frac{2}{3}$ to around $3.60 He got in touch with the then Prime Minister of Canada, the late Viscount Bennett, but without results.

When the late Honourable A. L. Dysart became Premier of New Brunswick he at once appointed a New Brunswick Industrial Development Commission of which the late Doctor John Stephens was chairman, and which was composed of many prominent and representative business leaders of New Brunswick. That board carried on through the war years; and after the war, under the McNair administration, another board was set up of which I had the honour of being a member, under the chairmanship of Dr. Rowley, who was brought to the province to head the board, whose terms of reference included the investigation and appraisal of any and all projects which would further industrial activity, and to initiate new developments.

When Premier Flemming assumed power in New Brunswick his government continued the effort by establishing a Forest Products Development Board under the chairmanship of Dr. John Bates, and another board, under

the chairmanship of Colonel Gates, was named to recommend suitable projects and advise on financing.

Premier Robichaud has appointed a similar body, which bears the name "The Resources and Productivity Council," consisting of thirteen members whose function is to accelerate research, to encourage and provide the means for it in our universities, and to otherwise encourage the establishment of industries to develop our natural resources. All through the years the Department of Industry in New Brunswick has been most active and helpful.

Anyone who has read the newspapers since 1949 is familiar with what has been accomplished in Newfoundland. I will not attempt to catalogue the provincial enterprises which have been created there; I leave that to those who represent Newfoundland in this chamber. In Nova Scotia the history has been similar to that of New Brunswick, about which I have told you. Over the years they have had similar bodies advising and recommending and, at the present time, the industrial estates consisting of leading industrialists and financiers have done a grand job of attracting and locating industry and, I understand, have excellent prospects ahead. But this board not only finds new industry; it has funds available for capital financing to assist industries in getting established in what it recommends as being sound ventures, and that is the whole point of my remarks.

After a lifetime of experience of acting on many of these boards, during which public-spirited citizens have given of their time and effort freely and voluntarily, it is my opinion that the fact all new industries required capital financing which was not available was one of the serious road-blocks, and still is, in our part of the world.

I cannot say too much for the commercial banks, but they do not supply capital funds; and I do not think an Industrial Development Bank, with its head office in Ottawa, will ever be the answer as a source of long-term funds for manufacturing plants in the Atlantic provinces.

There are many industries at present in both New Brunswick and Nova Scotia and also, I presume, in the other provinces—certainly in Newfoundland—employing many people and contributing much to the prosperity of the provinces, and these industries would not be there if the provincial governments had not assisted in making the necessary capital available for their establishment.

I want to quote from the December issue of the *Atlantic Monthly* in its report on Ireland. I find it most interesting.

> The government of Sean Lemass is keenly aware of the need to industrialize. It has set up an Industrial Development Authority, backed by an Industrial Credit Company, which has achieved remarkable results in efforts to attract foreign capital and knowhow. Here are some of them:
>
> In the last five years 130 new industries have been introduced from outside the country, a dozen of them American. They have included such diverse projects as the manufacture of transistors by the Japanese firm of Sony, of precision instruments by SPS International of the United States, of cranes and excavators by Leibherr of Germany, and of radio equipment by Phillips of Holland. The Israelis are making razor blades in County Carlow, and the Italians silk ties in County Cavan.
>
> More than 1800 people are working in small firms set up at Shannon Airport. These firms have total exemption from income and corporation taxes on profits from goods exported until 1983. The project, which has special privilege, is primarily intended to save Shannon Airport, now bypassed by jets from the European mainland bound for America. The goods produced at Shannon are all transportable by air—even the grand pianos of the Rippen firm of Holland. In the last five years capital in Irish industry has been increased by $85 million as a result of the introduction of foreign firms. Less than one quarter of this amount has been provided by government grants. More than 21,000 new jobs have been created. Indirectly, employment has been given to the hotels, the catering trade, and building firms.

Honourable senators, the Atlantic Development Board is a very welcome gesture towards our provinces, but results will not flow from it until it is provided with some source of long-term financing for capital projects. We must overhaul our financial setup so that this kind of money will be made available to supplement private investment.

If I may make a personal reference, I will mention that I have just gone through the experience of being associated in the establishment of a new industry in these provinces, the manufacture of plywood from our native spruce. People in the Atlantic provinces use a lot of plywood, and it is just one more commodity that has to be imported. Therefore, I know whereof I speak when I talk about the difficulty of finding money for such projects. Some way will have to be found, either by the employment of a revolving capital account or by the establishment of an

Atlantic provinces development bank, sponsored by the federal Government, or by the governments of the four Atlantic provinces.

While I am on that topic, honourable senators, I want to point out, because I do not think it has been realized before, that even the Small Loans Act, which we amended last session, contains no provision for guaranteeing a bank against loss on loans made for the establishment of a business. In other words, the business must be in operation before the act applies.

It must be remembered that we face the east on the Atlantic seaboard. We face Europe, and that is the direction in which our markets lie. Over there, governments are in business, in some countries altogether and in others as partners with private enterprise, and venture capital and credit is not lacking. That is the kind of competition we face. I want to assure this house that initiative, future thinking, enterprise and ability to work are not lacking in the people of the Atlantic provinces.

A lady in Ottawa told me not so long ago that when she was travelling through one of the Atlantic provinces she stopped to talk to a fisherman who was deploring the state of the country, and in the course of her remarks she said, "It is too bad that all the brains have gone from the Atlantic provinces." To which he replied, "My dear lady, that is not true; it takes a lot of brains to stay here in the Atlantic provinces and make a living."

Honourable senators, I wish to emphasize that the people there are eager and anxious to work at something which is useful, if they receive the wherewithal. While I have due respect for advisory boards and all they do, my conclusion is that if the federal Government or any other authority gives us the tools, we will do the job.

Hon. John G. Higgins: Honourable senators, I am going to support this bill and in saying so I really mean the truth of that remark. I am supporting it not because of what is in it but because of its great possibilities. The effectiveness of the legislation will depend on the board appointed, on the newspapers of the Atlantic provinces, and on the people who live there. The Lord helps those who help themselves and does not help those who sleep. Unless we in the Atlantic provinces see that this measure is properly carried out, it will not be effective.

The learned and eloquent senator from Halifax, Senator Connolly, said that he, unlike others, did not think this was a foolish or useless act. He regarded it as a first step. Then he damned it with the most damnable praise, not even the faintest praise. He remarked that Nova Scotians have been, for a century or more, real Canadians. Fortunately or unfortunately, we Newfoundlanders cannot lay claim to that, since it is only twelve years since we became Canadians. Nevertheless, judging by the characteristics the senator cited, Newfoundlanders are not very different from Nova Scotians. We eat, sleep, talk and dream just the same as those people mentioned in the eloquent speech of the worthy senator from Halifax North.

My friend Senator Burchill opposite said he did not believe in the praise which was given to the act by the minister when he called it a foremost step. I may not believe it is the foremost step, but I say that it may turn out to be the foremost step, and it is a real step. If we read this measure properly we shall find it is not as innocuous as he or the honourable senator from Halifax thinks.

Honourable senators, let me deviate a little in speaking of some matters which may not at first sight seem appropriate to the bill. In one respect, Canada has not exalted itself. Rather should I say Canadians have in one respect not exalted themselves. I spoke of this matter before. Canada has given her children many wonderful things. Apart from the natural resources and a fertile soil throughout the country, she has given much of beauty. Like all Canadians, I can talk of that beauty. Beauty is something essential to a province; it makes the soul of the province.

I have beheld the Rockies, that vast massive cliff "whose awful grandeur terrifies the glance its magnificence has attracted". I have viewed the cameo elegance of Lake Louise. I have seen the comprehensive glory that is Banff. I have watched the vast immensity of the Great Lakes of Canada. I have stood transfixed in admiration at the panoramic beauties of the eastern portion of Canada. I have wandered over its verdant fields and its colourful valleys. I have seen the pomp of autumn create what only the mind of God could dream and only the hand of God could mould. I have noted the majesty of noble rivers meandering to the sea. One can wax eloquent over the treasures that Canada gives to her children. One can speak in the most glowing terms and one does not exaggerate in the slightest by the tone of one's voice or words the real beauty of Canada.

However, honourable senators, there is a dark side to this picture. What are Canadians doing to preserve the beauty of Canada? Where is the history of the past? Where are the old historic sites? Are they here still or are they gone? Are they interred in the urns of mortality? Have Canadians ignored the admonition of Joseph Howe, who said:

> A wise nation preserves its records, gathers up its muniments, decorates the

tombs of its illustrious dead, repairs its great public structures and fosters national pride and love of country by perpetual reference to the sacrifices and glories of the past.

How have Canadians kept the memory of the historic past? I have seen beautiful old houses, redolent of the historic past, torn down to be replaced by the chocolate houses made according to the architectural principles of this modern day.

Only a short while ago, the West Block of this beautiful pile of buildings was threatened with demolition in order to have it replaced by a modern building. Can one imagine such an atrocity? Can one imagine that anyone could bring up such a thought? Can one imagine the discord of beauty that would be created by having a modern building against these other two beautiful structures which have excited the admiration of hundreds of thousands, yea, millions of people from all over the world? Do you think people would come here to see two beautiful piles, with a modern building attached to them? I was told that even the East Block was threatened about 50 years ago.What are we coming to in Canada? I hope this will not occur. I hope that the board to be set up by the Government will be composed of intelligent men with lofty and not iconoclastic ideas, men of learning and culture, who will see that these buildings will never be touched at all except for necessary repairs.

What are the cities doing? There is one city where this sort of thing should not happen. Quebec has still the charm and grace of a day that has long gone by. Charm and grace have come back again to make gracious at least one man-made spot in Canada.

There is another city, a smaller city, and not of such ancient vintage as Quebec, which has still the same lofty ideas of culture. That is the city of Halifax. It is a pleasure to visit that city and see how the people and the authorities throughout the years have preserved the old buildings and historic sites. It is a city which I am sure is visited by a large number of people just to see those old buildings and sites.

I wish I could say the same of my own city of St. John's, my birthplace, the oldest inhabited city or town on this side of the world. Just this past September, there could have been commemorated the last battle fought between the French and English for the conquest of Canada, the Battle of Signal Hill, which was fought three years after the Battle of the Plains of Abraham. I referred to that battle in one of my speeches in the last session. However, I regret to say that not much interest was taken, apart from what was published in one newspaper, which set out my remarks in full.

This year in St. John's not the slightest interest was taken in that historic battle. In fact, only two years previously the municipal council of the city gave to a commercial firm one of the old lanes of the city, if not the oldest lane, and it has been built over by that firm. That was an illegal act on the part of the city council, for the council cannot close a way which has been dedicated to public purposes, unless it is for the benefit of the public —and it was no benefit to the public to bar it off.

This is the lane which tradition says the soldiers of the British army went over and through in order to reach Signal Hill, overlooking St. John's, and capture it. It is one of the most historic lanes on the entire continent. I trust that this board, which I presume will be entitled to take under its control the repairing of old buildings, will see that the building is torn down, or else that the company will be forced to make a lane through it so that tourists will be able to walk over the place where the British troops walked 300 years ago in order to win the battle for the ultimate conquest of Canada. If matters of that kind come within the jurisdiction of the board, it will have very strong potentialities.

We have heard recently that it is intended to re-erect Louisburg as it was in olden days, as a fort with twenty square miles of land, and to place it in the same position as when it was captured. No one will throw criticism at this tribute to the past, for Louisburg played a large part in the history of French Canada and for a long time held a place second in importance only to Quebec.

Of course we must provide things whereby we can work and live at ease. After all, in accordance with commercial ideas we are entitled to try to make a living. We cannot enjoy and cherish our historic spots unless first we have a full stomach. When we are hungry we cannot look on things as we should.

Let the board take the fishing industry seriously. I am speaking mainly of Newfoundland now. The fishery is part and parcel of Newfoundland. There is scarcely a Newfoundlander who does not know all about the fishing industry, and I am surprised how few Nova Scotians know about fish. We have been brought up among fish. First of all, the board should see that the Norwegian methods of fishing are brought into this country. They are far superior to us in the catching and processing of fish.

I deeply regret that my old friend and compatriot from St. John's West, Senator

Pratt, is not present here this afternoon. Senator Pratt is a merchant of international reputation. His markets are all over the world. He is a man of great comprehension, and he is deeply versed in all things pertaining to business, particularly in connection with fish. What is more, he has spent some time in Norway. He has told me that he was amazed at the expertness of the Norwegians in dealing with fish. We have down in Newfoundland caplin, a fish like smelts, which touch the ocean around various parts of the island. They are at different places for only a short time, and they come in tremendous quantities. You do not talk of them in thousands or hundreds of thousands, but in trillions. They are in such enormous numbers that only an infinitesimal part of them can be used, the rest being thrown out as manure on the fields. There should be some way of canning these fish; in fact, an attempt has been made to do so, but the oil becomes absorbed into the flesh so much that it becomes a mush. However, I understand that a Newfoundlander has invented a process and has sent it to Ottawa for consideration.

May I say that we are definitely lacking in fisheries research in Ottawa. Do you know that Newfoundlanders caught squid at one time, canned it and sent it as far away as China and made money on it? This board should find out about foreign markets, of which there are plenty still available. The larger part of South America is still untapped. Why is fish not sent down there? The board should ascertain what the market wants. Does it want Spanish cure, dry salted, heavily salted fish or Madeira? Different parts of the world want different kinds of fish. In some hot climates the people take the raw salt fish and chew it as it is.

The board will have the opportunity of discussing freight rates, and finding out how the Atlantic provinces are suffering from overcharges. We have to get most of our goods from Ontario and Quebec, which take very few from us. You will be surprised to know that Ontario and Quebec supply well over $200 million worth of goods to Newfoundland, and I do not believe they spend a cent in return for our commodities. Freight rates are high.

But why do I need to elaborate? The opportunity of the board is tremendous; its possibilities are limitless. The principle of the act cannot be criticized. It is impossible to assess its effectiveness at present; this must be seen later. It will depend on the financial assistance allowed, but above all on the energy and imagination of the board. Its duties are set out very clearly. Its objects are stated, and they can be enlarged at the wish and the whim of the board itself.

An editorial in a St. John's paper, which I read this morning, says:

> The concept of the Atlantic Development Board is sound in principle. It is a forward step but its prospects must naturally be considered with some reserve until it has had a chance to show what it can do.

Let us show what it can do. But let my honourable friend, Senator Harold Connolly, praise it as much as it should be praised. Let him go around and say what should be done, and tell the board what they should do. If the board members do what they should do, they will not be criticized.

The possibilities of the act, as I have stated, are immense. It lays the groundwork for great future achievement. The act is very succinct. It does not set out the amount of money that will be allowed, and why should it? What amount of money is necessary is impossible to decide at present. This is really an act to create a research board for the study of problems in a vast country, for the study of the natural resources and the industries of the Atlantic provinces. When the board has made its full inquiry and presented its report of what must be done in order to assist the Atlantic provinces, then and only then shall we see the ultimate results of the act.

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

FOOD AND DRUGS ACT

BILL TO AMEND—THIRD READING

Hon. A. J. Brooks, for Hon. Mr. Sullivan, moved the third reading of Bill C-3, to amend the Food and Drugs Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

THE PHARMACY EXAMNING BOARD OF CANADA—REPORT OF COMMITTEE ADOPTED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Veniot for consideration of the report of the Standing Committee on Public Health and Welfare with respect to Bill S-15, an Act to incorporate The Pharmacy Examining Board of Canada.

Hon. Jean-François Pouliot: Honourable senators, I yield to Senator Kinley.

Hon. John J. Kinley: Honourable senators, I must thank Senator Pouliot for his courtesy in yielding to me.

This afternoon we listened with special attention to speeches by three senators from

the Maritimes, and counting the Leader of the Government (Hon. Mr. Brooks), also a Maritime senator, who moved third reading to the Food and Drugs bill, I am the fifth Maritimer to speak this afternoon. My subject will not be as glamorous or interesting, but it is a routine job and I would like to finish it this afternoon.

Honourable senators, my role is to explain some of the amendments that have been made to this private bill by the Standing Committee on Public Health and Welfare. The committee studied the bill and reported it back for our consideration with certain amendments.

These amendments are all salutary and welcome because this is a bill which we are desirous of having in good form. This is a Senate bill and it has yet to go to the House of Commons for passage there. It deals with a technical subject, and in its preparation we have had help from our Law Clerk and men who are prominent in the legal profession, and the amendments suggested, I think, will appeal to the house.

The first amendment is to clause 2, subclause (d), after the word "from" insert, "or registered by,". With that amendment the subclause will read as follows:

> 2. In this Act . . .
> (d) "qualified pharmacist" means a person holding a licence or authority to engage in the practice of pharmacy from, or registered by, any licensing body.

I do not think that needs any explanation; a licensing body is defined in the same clause. Honourable senators will readily understand that a licensing body may differ from province to province and the definition was so worded to cover all cases.

The next amendment is to clause 6—after subclause (7) add subclause (8) as follows:

> (8) Any person appointed to fill a vacancy on the Board shall hold office for the unexpired portion of the term for which his predecessor was appointed, and for purposes of reappointment shall be deemed to have served a full term.

I think that this is an obvious change, after reading some other clauses of the bill stipulating that nobody can serve for more than two successive terms.

Hon. Mr. Hollett: May I ask the honourable senator a question? If you will look at clause 7, subclause (3), you will find that it contains the exact words of your amendment.

Hon. Mr. Kinley: Yes, I will come to that.

The next amendment is to strike out clause 7 and substitute therefor the following:

> 7. Where any appointing body fails to appoint a member to the Board within a reasonable time after a vacancy occurs, the registrar-treasurer of the Board shall notify such appointing body by registered mail of such failure.

The appointing body is the body representative of the societies throughout the provinces, the secretary and president of the Canadian Pharmaceutical Association, those connected with the colleges and the nurses in the hospitals. They represent the appointing boards. I think you will find that that leaves the question of appointments largely to the provincial bodies. What we objected to in this was that if a provincial body did not appoint a member to the board he could be appointed by the central body. We thought that that was rather an evasion of the rights of the appointing body, because the appointment would then fall on people who were perhaps not too interested; and if the province was not interested enough to appoint someone to the board, it may well be because they wanted to be left off it.

Hon. Mr. Hollett: May I return to my question? I fail to see where there is any purpose served by this amendment, because the same words appear in clause 7, subclause (1).

Hon. Mr. Macdonald (Brantford): But that has been struck out.

Hon. Mr. Kinley: We are striking out clause 7 completely.

Hon. Mr. Hollett: But what you are striking out is exactly the same as your amendment.

Hon. Mr. Kinley: I know. We are moving it up to a more suitable place; it is for better continuity.

Hon. Mr. Macdonald (Brantford): As I understand clause 7 as it now stands, if an appointing body does not make an appointment the central body can make it, and the honourable gentleman has explained that this clause is now being struck out and is being substituted for by a clause which he has read in the amending report.

Hon. Mr. Kinley: That is correct.

The next amendment reads:

> Page 4, line 23: Strike out "subsection (1)" and substitute therefor the following:—
> "this Act".

The bill now reads:

> (2) Nothing in subsection (1) shall authorize the Board to interfere with or otherwise affect the rights or privileges of any licensing body under provincial law.

With the amendment it will read:

(2) Nothing in this Act shall . . .

The next amendment is:

5. Page 4: Strike out paragraph (b) of subclause 1 of clause 12.

Clause 12 is one of the sanctioning clauses. Section 12(1) of the bill now reads:

The Board may direct that the name of any person be removed from the Register if such person . . .

(b) has been convicted of any indictable offence under the Criminal Code . . .

The Criminal Code is rather complex. For instance, a man driving his car might become involved in an accident which could result in his being thrown out of work and having his means of livelihood taken away from him, because he has committed an offence under the Criminal Code. Paragraph (b) has been deleted because individual provincial statutes cover such an occurrence.

The next amendment is:

6. Page 4: Strike out subclause (2) of clause 12 and substitute therefor the following:—

"(2) Where any person registered under this Act has been registered, licensed or otherwise authorized to practice pharmacy under the laws of any province and such registration, license or authority has been revoked or suspended under the laws of that province, the Board may direct that the name of such person be removed from the Register."

That puts this in the hands of the individual province, and if the province finds a man is guilty of an offence and must be excluded from membership of the society, the amendment to clause 12 would cover that situation.

7. Page 5, line 39: Strike out "authorized" and substitute therefor the following:—

"registered".

Clause 15 is an interesting and important clause, which reads:

Any qualified pharmacist licensed or registered in any province prior to the coming into force of this Act shall, after ten years from the date when he became so licensed or authorized...

The word "authorized" is to be deleted and the word "registered" substituted therefor. With the amendment it reads:

...after ten years from the date when he became so licensed or registered, be entitled to be registered under this Act without examination upon payment of the prescribed fees.

That is the usual procedure in these circumstances. When bills of this type are enacted those who have been practising for a long time and who have a wealth of experience are registered under the new act, without examination, upon the payment of the prescribed fees.

Honourable senators, these are the amendments now before the house. I think they are all good. We have attempted to make this as good a bill as possible and, of course, it should stand for a long time. As you know, dentists have such an organization, as does the medical faculty, and we want to make this just as fine an organization for pharmacists. That is why I, as sponsor of the bill and as one who has had some experience in the field, worked with the solicitor and secretary of the Canadian Pharmaceutical Association, who came here and, along with the Law Clerk of the Senate, assisted in making these improvements. We believe the amendments improve the bill and as a result will give the body better legislation. The Law Clerk was present at the meeting of the committee and approves what we have done. The Deputy Minister of the Department of National Health and Welfare, and Dr. Morrell, and Dr. Pugsley, were also in attendance.

Honourable senators, it is for these reasons that I move adoption of this report.

Report adopted.

THIRD READING

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

Hon. Mr. Kinley: Honourable senators, I move, with leave of the Senate, that this bill be read the third time now.

Hon. Mr. Pouliot: I have just one question to ask the sponsor of the bill. Will this examining board replace the boards already existing in the provinces?

Hon. Mr. Kinley: No. The provinces are supreme in their own field. This board will issue certificates which have no virtue in the individual province unless the province concerned agrees to recognize them. It is hoped that the enactment of this bill will improve the standards of education in the profession, and will assist individual members in moving from one province to another. It is hoped that there will be reciprocity among the provinces. In the Maritimes we already have reci-

procity, and New Brunswick and Prince Edward Island are entering into the scheme. I believe Newfoundland will be sending students to Dalhousie, where they have a faculty of pharmacy. The province of Quebec has not come in, and Newfoundland has not decided yet, but there are eight provinces participating. We believe it will be a live and good organization, moving along under the direction of the individual province.

Motion agreed to and bill read third time and passed.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Committee on Standing Orders.

Hon. Charles L. Bishop, Chairman of the committee, moved adoption of the report.

Report adopted.

The Senate adjourned until Monday, December 17, at 8 p.m.

APPENDIX

(*See* p. 433-4)

BANKRUPTCY ACT—REPORT OF COMMITTEE

The Standing Committee on Banking and Commerce to whom was referred the Bill S-2, intituled: "An Act to amend the Bankruptcy Act", have in obedience to the order of reference of November 8, 1962, examined the said bill and now report the same with the following amendments:

1. Page 1: Strike out clause 1.

2. Page 1: Strike out clause 2 and substitute the following:

"1. Sections 114 and 115 of the Bankruptcy Act are repealed and the following substituted therefor:

'114. The following provisions apply to the summary administration of estates under this Act, namely,

(a) all proceedings under this section shall be entitled "Summary Administration";

(b) the security to be deposited by a trustee under section 8 shall not be required unless directed by the Official Receiver;

(c) notice of the bankruptcy shall be published in the *Canada Gazette* in the prescribed form but shall not be published in a local newspaper unless deemed expedient by the trustee or ordered by the court;

(d) all notices, statements and other documents shall be sent by ordinary mail; and

(e) there shall be no inspectors unless the creditors decide to appoint them, and if no inspectors are appointed the trustee, in the absence of directions from the creditors, may do all things that may ordinarily be done by the trustee with the permission of the inspectors.

115. The trustee shall receive such fees and disbursements as may be prescribed'."

3. Page 2: Strike out lines 1 to 12 both inclusive and substitute the following:

"174. (1) This Part applies only to the following classes of debts:

(a) a judgment for the payment of money where the amount of the judgment does not exceed one thousand dollars;

(b) a judgment for the payment of money where the amount of the judgment is in excess of one thousand dollars if the judgment creditor consents to come under this Part;

(c) a claim or demand for or in respect of money, debt, account, covenant or otherwise, not in excess of one thousand dollars, and;

(d) a claim or demand for or in respect of money, debt, account, covenant or otherwise, in excess of one thousand dollars if the creditor having such claim or demand consents to come under this Part."

4. Page 2: Strike out lines 30 to 43 both inclusive and substitute the following:

"(a) in the Province of Alberta

(i) a claim for wages that may be heard before or a judgment therefor by, a magistrate under The Masters and Servants Act,

(ii) a claim for a lien or a judgment thereon under The Mechanics' Lien Act, or The Mechanics Lien Act, 1960, or

(iii) a claim for a lien under The Garagemen's Lien Act;

(b) in the Province of Manitoba

(i) a claim for wages that may be heard before, or a judgment therefor by, a magistrate under The Wages Recovery Act, or

(ii) a claim for a mechanic's lien or a judgment thereon under The Mechanics' Liens Act; or"

5. Page 4: Immediately after line 12 add the following:

"(4) The register referred to in this section shall be separate from all other books and records kept by the clerk and shall be available to the public for inspection, free of charge, during the hours when the office of the clerk is open to the public."

6. Page 4: Strike out lines 28 to 33 both inclusive and substitute the following:

"(3) Where an objection has been filed by a creditor, the clerk shall forthwith, by registered mail, give notice of the objection and of the time and place appointed for the hearing thereof to the debtor and to each creditor named in the affidavit filed in connection with the application specifying the creditor whose claim has been objected to under subsection (1)."

7. Page 6: Strike out lines 42 to 45 both inclusive and substitute the following:—

"(3) The clerk may issue a writ of execution or certificate of judgment in respect of a consolidation order and cause it to be filed in any place where such writ or certificate may bind or be a charge upon land or chattels."

8. Page 7: Strike out lines 1 to 17 both inclusive and substitute the following:—

"187. (1) Where at any time before the payment in full of the claims against a debtor

under a consolidation order, the clerk is notified of a claim to which this Part applies that is not entered in the order, he shall, upon notice to the debtor and the creditor and to each registered creditor and subject to subsection (2),

(a) settle the amount owing to the creditor;

(b) where he deems it necessary to do so, vary the amounts to be paid by the debtor into court and the times of payment thereof in order to provide for the new claim; and

(c) enter the matters referred to in paragraphs (a) and (b) in the register.

(2) Where the debtor or any registered creditor disputes the claim of a creditor described in subsection (1), the clerk shall on notice of motion refer the matter to the court and the decision of the court shall be entered in the register."

9. Page 10: Strike out lines 13 to 16 inclusive and substitute the following:—

"pursuant to such consolidation order and have not yet been distributed to the registered creditors shall thereupon be distributed among such creditors by the clerk in the proportions to which they are entitled under the consolidation order."

10. Page 10, line 22:—Strike out "apply" and substitute "applies".

All which is respectfully submitted.

Salter A. Hayden,
Chairman.

THE SENATE

Monday, December 17, 1962

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

Prayers.

HON. C. G. POWER, P.C.

FELICITATIONS ON FORTY-FIFTH ANNIVERSARY IN PARLIAMENT

Hon. W. Ross Macdonald: Mr. Speaker, before we proceed with the business of the day, may I say a few words. I am sure all honourable senators would wish to join me in expressing felicitations and good wishes to one of our members who is today commencing his forty-sixth year of continuous service as a parliamentarian. I refer to the Dean of Parliament, the Honourable C. G. Power. Today is the anniversary of his first election. He was first elected to the House of Commons to represent the constituency known as Quebec South on December 17, 1917, and was re-elected in 1921, 1925, 1926, 1930, 1935, 1940, 1945, 1949 and 1953, a total of ten elections, which constitutes a record equalled by few in any Parliament.

Even before his election, he was not unknown to the world of politics. He was brought up in a home where there was a political atmosphere. His father, who was a member of Parliament for the constituency which later became Quebec South, sat in Parliament until just before his son was elected.

Our honourable colleague was well known, especially throughout the province of Quebec, for another reason. He and his four brothers were members of a hockey team which brought the Stanley Cup to Quebec on many occasions. While playing hockey he learned the advantage of co-operation and fair play, qualities which have stood him in very good stead throughout his political life.

When the First World War broke out "Chubby," as he was then known and is still affectionately known to many of his friends, enlisted and served with distinction and valour, for which he was decorated with the Military Cross.

In Parliament he was a doughty fighter, whether on the defence or on the attack. He loved the political arena, and I think I can truly say he came out of every contest with honour. He has been in many contests, but no one has more friends and fewer enemies throughout Canada and Parliament than has Chubby Power.

We can truly say that Senator Power is regarded with admiration and affection by thousands of friends, known and unknown, across Canada, and especially those who served with him in the armed forces in the First World War. He is so regarded more especially by those who served in the Royal Canadian Air Force.

It was the Honourable C. G. Power, then Minister of National Defence for Air, who established the Commonwealth Air Training Plan in Canada. You will recall that under that plan air training stations were established across Canada to which young men from all over the Commonwealth came; and after their training here they went abroad to fight for the cause of freedom. During the time when that plan was in effect, there graduated from the schools in Canada no fewer than 131,553 air crew personnel. At the peak of the plan there were 97 flying schools, including 24 of the Royal Air Force and 184 ancillary units. That operation was a tremendous contribution to the cause of the Allied Forces during the Second World War.

Chubby Power has had an interesting career in the political world. At his side through all his contests has been his devoted wife, and together they have given their best in service to Canada. As a member of Parliament, he was most fortunate in having the devotion and help of his wife, and in congratulating him today we also extend to her our very good wishes.

We are fortunate in having the Honourable C. G. Power in the Senate. He adds a lustre and distinction which this chamber would to a large extent lack without him.

He is a man of wide experience, vigorous and young in spirit. He is a great parliamentarian and has deep respect for Parliament as an institution. I am sure all honourable senators join with me in the hope that Senator Power will be with us for many years to come.

Two other members of the Senate were also elected to Parliament on the same day in 1917 as was the honourable Senator C. G. Power. I refer to the honourable Senator Crerar, who unfortunately is not here this evening on account of illness. He also has had an illustrious parliamentary record and has rendered major service to our country. Although he has not been continuously in Parliament, as has been the honourable Senator Power, he has contributed greatly to Parliament. We all hope that Senator Crerar will be with us again when Parliament reconvenes after the Christmas recess, and will continue with us for years to come.

Senator Crerar's wife has been a faithful companion to him at all times and has been close to him throughout his career. She too

has been unwell, but I understand that she is recovering. Our good wishes go to both of them.

The honourable Senator Thomas Vien was also elected to Parliament on the same day in 1917. His service in Parliament was interrupted for a number of years, when he served on the then Board of Railway Commissioners. He has served Parliament with distinction as Deputy Speaker of the other house and later as Speaker of this house.

We extend to Senator Vien and his wife our best wishes for good health, and look forward to the senator being with us when Parliament reassembles after the Christmas recess.

Hon. A. J. Brooks: Honourable senators, I wish to join with the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) in the eloquent and deserving tribute he has paid to three great Canadians. Probably I have not known these three gentlemen as well as has the Leader of the Opposition, but I have known them long enough and well enough to know how much the tribute is deserved.

Like the honourable Leader of the Opposition, I knew of the honourable Senator Power when he was an outstanding hockey player. I was always a keen follower of sports and an admirer of those who took part. I also knew Senator Power as a soldier. I believe that while serving in France, he and I had the honour of belonging to the same brigade—the 5th Brigade. He was with the 22nd Battalion from Quebec and I was with the 26th Battalion from New Brunswick. Many a time his battalion relieved mine, as, in turn, our battalion relieved his. There is one thing upon which I am sure he and I would not agree: I have always contended that the 26th Battalion was the best in the 5th Brigade and that the 22nd came next.

Senator Power has always excelled in whatever he has undertaken—first, as a young man in sports, then as a soldier, and for many years as a statesman in the Parliament of Canada.

I first came to the House of Commons in 1935, when Mr. Bennett was Leader of the Opposition, after having put in five quite stormy years as Leader of the Government. At one of our first caucuses—and it is not often one tells the secrets of the caucus—in discussing the various new members of Mr. King's cabinet, many remarks, both complimentary and uncomplimentary, were made. But I recall Mr. Bennett saying that he considered Mr. Power one of the ablest men that Mr. King had in his cabinet. I have never forgotten that remark. It struck me as a word of tribute paid by a very worthy statesman to one who had not pulled his punches in any way—as far as I could judge from reading *Hansard*—over the five years that he had been in opposition to Mr. Bennett.

There is scarcely time tonight to pay the well-deserved tribute to these men that we should like to pay. I join the honourable Leader of the Opposition in wishing Chubby Power, as we know him so well, many years of good health and service to his country.

May I say, honourable senators, that when I succeeded Senator Power as Minister of Veterans Affairs, I noted, as the honourable Leader of the Opposition has mentioned, the affection which Senator Power enjoyed across Canada. I recall that when I visited veterans' hospitals and organizations one of the first things the older men would ask was, "How is our old friend Chubby Power"? And the question was always asked with affection and esteem.

I have also known the other honourable gentlemen who have been mentioned. It would be a difficult task to pay an adequate tribute to three such distinguished men in the short time available tonight.

Senator Tom Crerar is well known to all. History will give him a lofty place in the annals of his country.

I knew Senator Vien when he was Deputy Speaker in the other place. I also knew him as chairman of many of the committees there, and he was recognized as one of the best committee chairmen we had during those years.

I feel honoured indeed to pay tribute to these three distinguished gentlemen. I wish them all many more years of happiness, and many more years of service to their country.

Hon. C. G. Power: Honourable senators, I would be less than human if I were not intensely moved by the words of the honourable Leader of the Government (Hon. Mr. Brooks), and the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford). As he was talking I looked across the floor at my good friend the senator from Victoria (Hon. Mrs. Quart) and my good friend from Rougemont (Hon. Mr. Flynn) and wondered whether if these speeches had been made twenty years ago would they have had much effect on feelings, on the general atmosphere, which surrounded the electoral combats which took place in the constituency which we all three hold so dear.

Honourable senators, it is very difficult to speak under such circumstances, under a shower of, for the most part, undeserved compliments. I have often thought, as one of my friends has just reminded me in a note, such tributes as these are usually given

after a senator's passing. There is this advantage in hearing the tributes now, that if a little too much is said you might suggest that they are overdone, and that such tributes are only paid after one becomes a statesman.

As I have said, it is difficult to offer much in reply under these circumstances. I must say, however, that the political life has been a good life, so far as I am concerned. I do not regret any of it. I enjoy the atmosphere of politics. After all, politics is the science of dealing with humanity, and above all other sciences or arts or studies the most important activity in this life is that of dealing with human beings and endeavouring to suit oneself to the eccentricities and perhaps even the frailties of humanity.

All my electors were not godly men or women; they were not all pious; they were not all holy. In fact, I think probably only a modicum of such persons who lived in my constituency supported me to any extent. It was my ambition to be to my electors the average man, with his faults, frailties and sins. Indeed, I think one of the functions of Parliament is to teach us to understand that all is not godliness here below, and that if we are endeavouring to deal with our fellowmen we must deal with them as they are.

I believe that is the great lesson I have learned in the years I have been in politics. It is a life that brings its own trials and tribulations, rebuffs and defeats. But, on the other hand, one meets loyalty and friendship with the best that there is in humanity. Above all, when dealing with adversaries, not necessarily enemies, as well as when dealing with friends, and when dealing across the floor of this chamber or the other place, one always finds there is comradeship and friendship. It is a comradeship based on the understanding and recognition that with all our faults and all our mistakes, whether we have acted well or ill, we are all endeavouring to do one thing, the best we can for our fellowmen. Thank you.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Statutory Orders and Regulations published in the *Canada Gazette*, Part II of Wednesday, December 12, 1962, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

PRIVATE BILL

STANDARD TRUST COMPANY—FIRST READING

Hon. Lionel Choquette presented Bill S-20, to incorporate Standard Trust Company.

Bill read first time.

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

Motion agreed to.

CROWN COMPANIES

AUDITING OF ACCOUNTS

Hon. A. Neil McLean inquired of the Government pursuant to notice:

(a) What Crown companies in Canada have their accounts audited by the Auditor General of Canada?

(b) What Crown companies in Canada do not have their accounts audited by the Auditor General of Canada?

(c) What are the names of the auditors or auditing firms auditing the accounts of Crown companies in Canada and what is the amount per annum paid to each of them by the respective Crown companies and/or the Government of Canada?

Hon. A. J. Brooks: The answer to the honourable gentleman's inquiry is as follows: (a) Atomic Energy of Canada Limited, Canadian Arsenals Limited, Canadian Broadcasting Corporation, Canadian Commercial Corporation, Canadian National (West Indies) Steamships Limited, Canadian Overseas Telecommunication Corporation, Canadian Patents and Development Limited, Cornwall International Bridge Company Limited, Crown Assets Disposal Corporation, Defence Construction (1951) Limited, Eldorado Aviation Limited, Eldorado Mining and Refining Limited, Export Credits Insurance Corporation, Farm Credit Corporation, The National Battlefields Commission, National Capital Commission, National Harbours Board, Northern Canada Power Commission, Northern Ontario Pipe Line Crown Corporation, Northern Transportation Company Limited, Park Steamship Company Limited, Polymer Corporation Limited and subsidiary companies, The St. Lawrence Seaway Authority.

(b) (1) Canadian National Railways, The Canadian National Railways Securities Trust, Central Mortgage and Housing Corporation, Trans-Canada Air Lines.

(2) The following public instrumentalities, not classed as Crown Corporations under the Financial Administration Act, are also not audited by the Auditor General: Bank of Canada, The Canadian Wheat Board, Industrial Development Bank.

(c) (1) The Canadian National Railway Company (including Canadian National Railways Securities Trust) and Trans-Canada Air Lines are audited by J. A. de Lalanne, C.A., Montreal, P.Q. A fee of $100,000 plus certain disbursements for the year 1961, paid by the Railway Company and apportioned as

follows: Canadian National Railways, $85,000; Trans-Canada Air Lines, $15,000.

(c) (2) Pursuant to the Central Mortgage and Housing Corporation Act, the Minister, with the approval of the Governor in Council, is required to appoint two auditors to hold office for a term not exceeding two years, to audit the affairs of Central Mortgage and Housing Corporation.

The present auditors of Central Mortgage and Housing Corporation are Mr. Maurice Boulanger, C.A., and Mr. Arthur A. Crawley, F.C.A., of the firms Boulanger, Fortie, Rondeau & Cie, Quebec City, and Arthur A. Crawley & Co., Ottawa. The present per annum fee is $14,500 each plus travel expenses.

(3) The Canadian Wheat Board has its accounts audited by the firm Miller, MacDonald and Co., Chartered Accountants, Winnipeg, Manitoba. The amount paid by the Board is approximately $46,000 per annum.

(4) The Bank of Canada auditors are W. R. Kay, C.A., and J. H. Rene de Cotret, C.A. Auditor's fees and expenses for 1961 were $75,000. (See Bank of Canada Annual Report for 1961).

(5) Industrial Development Bank auditors are W. R. Kay, C.A., and J. H. Rene de Cotret, C.A. Auditor's fees and expenses for 1961 were $14,686. (See Industrial Development Bank Annual Report for 1961).

ATLANTIC DEVELOPMENT BOARD BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

The Senate resumed from Thursday, December 13, the adjourned debate on the motion of Hon. Mr. Choquette for the second reading of Bill C-94, to provide for the establishment of an Atlantic Development Board.

Hon. Malcolm Hollett: Honourable senators, I think I would be remiss if I did not personally join in the hearty congratulations offered by this house to the honourable Senator Power. While listening to the tributes that were being paid to him, my memory went back across the 46 years that the honourable senator has been in politics to the time when I ran into a shell in France, the anniversary of which event I celebrated only twenty days ago. I mention this because I am very happy to have been spared to come back and sit in this house with the honourable Senator Power.

The honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) also referred to the fact that Senator Power was head of the Commonwealth Air Training Plan in Canada. Having had the honour of having my eldest son trained under that air training plan, I know you will pardon my reference to these matters. Perhaps as we get older we like to recall events of early days; my mind went back to these things and I felt I had to mention them. I wish to take this opportunity of offering my personal congratulations to the honourable senator.

In rising to speak to Bill C-94, which is aimed at fostering the economic growth and development of the Atlantic provinces, I shall endeavour to confine my remarks chiefly to the possible relationship which this bill may have to the particular province from which I come, Newfoundland. At this stage may I say that I find it rather difficult to understand the meaning of some of the remarks made both here and in other places relative to the proposed Atlantic Development Board, nor do I quite understand the comments of some of the editorials which have been written concerning it. For instance, in an editorial in the Ottawa *Citizen* the following appears:

> This bill has been received with less than enthusiasm by Opposition parties in the House of Commons.

I repeat "with less than enthusiasm by the Opposition parties in the House of Commons." That is rather strange.

Furthermore it quotes Premier Smallwood of Newfoundland as saying that he will remain uninterested until the board is provided with both money and authority. How true to form is this remark by our premier! All the adverse criticism of this bill seems to be based on the fact that, because the Government has not already proposed legislation providing for the expenditure of several billions of dollars, the bill is of no value. I would like to point out that we on this side of the house, at any rate, believe that it is more important first to formulate a policy based on sound economic principles, and then set about finding the money for its implementation.

The honourable senator from Halifax North (Hon. Mr. Connolly)—I am sorry he is not present tonight—for whom I have the greatest respect, especially for his multiplicity of words and his ability to put them together—started his speech here last week by saying that it is indeed a worthwhile piece of legislation, and that it is the only tangible gesture yet made toward the economic development of the Atlantic provinces during a period of 35 years. That is quite an admission when we remember the twenty-two years prior to 1957.

However, it would appear that the honourable senator is not satisfied with his first decision that this bill is a piece of worthwhile legislation, because he goes on to say that it is almost innocuous, and in his own particularly oratorical style, on which I congratulate him, he describes the bill as an

immature, premature embryo, and a "forceps delivery," whatever that may mean in this connection. He further describes the legislation as being ill-conceived. Having said that, he immediately relents by saying that there is nothing wrong with the intent of the bill; and he winds up by giving his wholehearted support to it, and stating he will vote for it. How the honourable senator could start out as he did, wholly supporting the bill, then damning it, and later saying he was going to vote for it, is something I find difficult to understand. I only wish he were here to explain the situation to me, or to bring me to book.

Another matter was mentioned by the honourable senator from Halifax North with which I should like to take issue. I refer to his remarks relating to university grants by the federal Government. He said:

> I suggest that the Government of Canada, of its own volition, without an Atlantic development board, can give us possibly as much assistance as any by rectifying this iniquitous system of university grants which treats us like poor cousins, almost like paupers, which hampers our universities, and which, to a people as prideful as those of the Atlantic region, is a serious disservice.

He says that the Government should give to the Atlantic provinces at least the national average of university grants.

May I point out that the Government of Canada established the system of university grants as recommended by the Massey Commission on National Development in the Arts, Letters and Sciences. The first of these grants was made during the academic year 1952. It was paid on the basis of 50 cents per head of population of the provinces, and the eligible institutions received their share of the total provincial allotment according to the number of full-time students at university level.

In 1952, as we all remember, there was a Liberal administration and during that time the grant was 50 cents per head of population. In 1956-57, when the Liberal administration was still in power, the Government increased the payment to $1 per head of population, a step on which I congratulate them. In 1958-59 when, fortunately, there was not a Liberal Government in power, the allocation was increased to $1.50 per head of population.

I might mention that I understand a bill is soon to come before the House of Commons which will raise the amount to $2 per head of population. We on this side of the house are very happy about this; it will certainly be appreciated by our people in the Atlantic provinces.

To sum up, since 1952 when the first grant was made the allocation per head of population has risen from 50 cents to at least $1.50, and I hope that shortly it will be $2. Therefore, I cannot understand the honourable senator's worry over the matter of university grants. He almost seems to say: "Give us a bigger university grant and we will forget the Atlantic Development Board". I cannot quite make that fit.

Newfoundland, the tenth province, is still a teenager as provinces go, and with its large area and small population it cannot be expected to have reached a stage of development anywhere near that of the more populated provinces. Unfortunately, however, the other Atlantic provinces, which indeed initiated the idea of Confederation nearly a hundred years ago, are almost on a par with Newfoundland as far as economic development goes, and it is in the hope of curing this condition that this bill has been introduced. I feel certain that every member of this house will vote for it.

Newfoundland, including Labrador, with an area of 152,000 square miles of land and water has a population of only 450,000, four and a half centuries after its discovery. There are several reasons for this, the chief of which is that so many of our people every year discover they can make a better living for their families on the Canadian mainland and in the United States of America. That is true also, I believe, of the other three Atlantic provinces.

During the past ten years Newfoundland has lost nearly 15,000 people to the mainland; Prince Edward Island nearly 12,000, and during that time 70,000 citizens of Nova Scotia and New Brunswick have left for greener pastures. Therefore, in the past 10 years almost 100,000 people have left the Atlantic provinces. I quote these figures to show how urgent it is that such legislation be passed quickly.

Hon. Mrs. Inman: May I ask a question of the honourable senator? How many people did he say had left Prince Edward Island?

Hon. Mr. Hollett: Twelve thousand in the past 10 years. I obtained these figures from the *Canada Year Book* and I think they will be found to be correct. I was very surprised at them myself.

I quote these figures to show how urgent it is that such legislation as is contained in Bill C-94 be brought before Parliament, and how important it is that such a board should be instituted immediately, and that a close study be given to the national resources and economic possibilities of the Atlantic provinces, this study being conducted in co-operation with the provincial governments concerned.

According to the minister who introduced the bill in the other place the present Government now recognizes that the Atlantic provinces, to use his words—

> ...constitute a special situation deserving special attention and deserving special consideration and demanding special action.

There are many "specials" there, and I am quite sure it is going to take many "specials" to cure the ills of the Atlantic provinces and, of course, of all Canada.

When Newfoundland came into Confederation in 1949 the per capita income in Ontario was $1,000. Today it is $1,853, and we all know it is much less in the Atlantic provinces. I am sure we cannot blame our people for migrating to other more prosperous provinces. I doubt very much if the per capita income in the Atlantic provinces during the past 10 or 15 years has increased to any great extent. A comparison of the population with the net value of production in the various Atlantic provinces with that of, say, Ontario will demonstrate to what extent we are lagging behind the rest of Canada.

For instance, in 1960 the approximate per capita production for all of Canada in terms of agriculture, forestry, fisheries, mining, electric power, and secondary industries of manufacture and construction, was approximately $1,050. For Ontario the comparable per capita production was around $1,350, which is away above the national average. The comparable figure for Newfoundland was only $520, for Prince Edward Island it was approximately $500, and for Nova Scotia and New Brunswick it was between $550 and $575.

Hon. Mr. Macdonald (Brantford): Was Ontario the highest?

Hon. Mr. Hollett: I am not quite sure, but I believe it was. British Columbia also has a fairly high per capita production figure.

Honourable senators, how to cure that ill is, of course, the problem. In that connection I would like to read from a Canadian Press article carried in today's newspapers. It quotes a statement by Howard D. Graham, President of the Toronto Stock Exchange, and reads in part as follows:

> Mr. Graham said that only by developing secondary industry can Canada provide work for the unemployed and redress the adverse balance of trade.
>
> He noted that Canada imports $235 worth of manufactured goods per person per year—

Just imagine that, honourable senators. That works out, I believe, to a total of about $4.5 billion worth of goods imported per year. When we think of these figures, we will think not only of the Atlantic provinces but of the whole of Canada.

> He noted that Canada imports $235 worth of manufactured goods per person per year, compared with $75 per person in Great Britain, $60 in West Germany and $35 in the United States.
>
> Some 85 per cent of imports from the U.S. are manufactured goods, while only 17 per cent of Canada's exports to the U.S. are manufactured goods—

That means that the labour used in manufacturing 85 per cent of the $235 worth of goods imported by Canada per person per year is given to the United States and to other countries. It is not being used to give employment to our own people. Mr. Graham said that only 17 per cent of Canada's exports to the United States are manufactured goods, the balance being raw materials and farm products.

If these figures are to change—and indeed, they must change—we must fabricate more goods for both ourselves and for export, and so make jobs for our idle hands. I am quite sure that every honourable senator present will agree with that.

I believe the present federal Government's intention is to make an honest attempt to see that our Atlantic provinces are more attractive to capital and industry. I have pointed out that it must make that attempt with respect to all of Canada, and it must be done by whatever government is in power, whether Conservative, Liberal, New Democrat, or Social Credit. Unless this is done, it will not be possible for any large numbers of our people in the various Atlantic provinces to make a decent livelihood.

Last year Newfoundland imported from the mainland of Canada $200 million worth of goods. If we could have manufactured some of those goods ourselves in Newfoundland, by our own labour—say $100 million worth—we would have provided about 25,000 jobs at $4,000 each.

Hon. Mr. Macdonald (Brantford): May I ask the honourable member if the words of General Graham appeared in the paper this morning?

Hon. Mr. Hollett: The article appeared in today's paper; I do not know if it was in the morning edition.

Hon. Mr. Macdonald (Brantford): It rather surprises me, because I thought our percentage of manufactured and partly manufactured goods would be higher than 17 per cent, if the paper and wood products were

taken into consideration. I am not questioning the honourable gentleman, but I am surprised that the figure for our exports of so-called manufactured goods is so low.

Hon. Mr. Brooks: That was to the United States, was it not?

Hon. Mr. Macdonald (Brantford): Yes.

Hon. Mr. Hollett: I will let the honourable senator have this clipping.

Hon. Mr. Macdonald (Brantford): I am not questioning the source; I am just expressing my surprise.

Hon. Mr. Brooks: That is an old point of yours.

Hon. Mr. Hollett: This is the problem: unless the people of Newfoundland make a decent living there, the population will not grow. There cannot be industry without population, and I am sure there cannot be population without industry. The main thing is to develop our own resources—the problem lies in how we should do it.

If we in Newfoundland were to cease fighting and snarling at each other and get down to business, something could be done. However, in the political atmosphere in which we live we are snarling at one another instead of thinking out ways and means to develop our portion of the country.

The resources of Newfoundland are almost unlimited. Our resources in waterpower, minerals, forests, and fisheries are immense. With a sensible approach to their proper development, there would be prosperity for the people of Newfoundland and that would be good for all Canada.

Honourable senators have all heard of the approach made in the early fifties by, shall I say, our Newfoundland Liberal administration. I do not know whether honourable senators on the other side will agree that it was a Liberal administration. What occurred then was heartbreaking; it was tragic. Some $50 million was practically thrown away. In the minds of the originator of the plan, there must have been a desire to do what our present federal Government hopes to be able to do. There must have been a desire to provide for development. However, that $50 million was thrown away because of lack of proper planning and the absence of economic study.

You all know where Newfoundland is situated, how far it is from certain markets, and how much more it costs to bring goods to consumers in various parts of the world. These things were not considered. The cry in the 1950's was: "Abandon your fishing boats and come to our new industries".

Although I have been only 10 or 12 years in politics, I have learned a great deal. We were told then that the administration would provide 20,000 new jobs, two jobs for every man, and that labour would have to be imported. Unfortunately, these things did not happen. Some $40 million went into 18 new buildings and factories. One big machine plant costing $2½ million, which was officially opened by the late Right Honourable C. D. Howe, is used now as a sort of garage for a construction company whose directors in Newfoundland are not of my political persuasion.

A big rubber plant, costing $1,800,000 was established, to manufacture all sorts of rubber goods, including boots and shoes. The machinery which went into that plant was already 30 years old when it was imported from Germany; yet it was put into a new plant costing $1,800,000. Those buildings now serve as storage sheds.

I could give honourable senators many instances of failure resulting from lack of planning and economic sense, and how thousands of jobs failed to materialize. The same administration, the same "prophet", ten years later tells the Newfoundland fishermen to go back to the fisheries because he intends to start a big new fishery program costing $70 million. That announcement was made as a political dodge, I suppose, less than three weeks after the committee was set up to formulate the fishery development plan. We are told that $70 million will be spent on this plan, and that the federal Government will be asked to donate $37½ million towards it. Let me say right here that before any government, provincial or federal, commits itself to spending $37 million, or $70 million, on the development of our fisheries, I hope there will be a much closer study of our fishery problems than any made heretofore.

We have the best fisheries in the world and do not know how to handle them. I believe we do not put enough capital into our fisheries to catch, cure and market the fish properly. For instance, about 1953 a fishery board was set up in Newfoundland. The other day an honourable senator said he was becoming sick and tired of boards. Let me say that this board, which was called a "fishery authority" first consisted of three men—none of whom knew anything about fisheries, of course—and who were paid an annual salary of $25,000 each, with guaranteed pensions of $10,000 at the end of 10 years. This was indeed an excellent job.

Honourable senators being mostly businessmen—and some of you being most successful businessmen—will know that is not the way to ensure proper development. You will realize, I am sure, that the correct way to develop the vast mineral areas of Labrador

and of the Island of Newfoundland is certainly not by making an initial grant of the mineral rights in 50,000 square miles of that territory to one man or one company. That has been done in Newfoundland, as most honourable senators know.

A wiser course must be followed. Newfoundland is now part of Canada and her resources must be developed by and for all Canadians. Already in Newfoundland millions of dollars are being amassed by the few select—I am going to call them "heelers" this time—and the proper benefits do not accrue either to the people or to the governments, provincial or federal. We have a rich heritage in our fisheries, but we are at present allowing these benefits to slip through our fingers and go to other lands, all because no proper approach by any government has yet been made with regard to catching, curing or marketing of the many species of fish in the waters surrounding our shores. In other days, of course, governments took very little note of these requirements, but today governments all over the world are seeing to it that fishermen are protected in their livelihood, and competition, at any rate in Newfoundland and the Atlantic provinces, is great. Our natural resources are for our people; they were not placed on the land and in the sea by the Almighty for the benefit of the few, some of whom, I regret to say, delight in flying back and forth to their respective bank accounts, some of which are in foreign lands.

Believe me, honourable senators, I do not wish to become partisan with regard to this bill. I am only giving you certain facts because of a statement made by a member in the other place, who said:

> Any projects of major importance which have been completed in the Atlantic provinces have been completed by a Liberal Government.

My only reason for injecting in my speech a few sentiments of this kind, which might otherwise be left unsaid, is to reflect the truth. However, I agree wholeheartedly with the minister when he said:

> I should like to think that the Atlantic Development Board can be an arm of the federal Government to be consulted by the provincial governments and by industry in general, with a view to rendering real assistance in every sector of the development of the Atlantic region.

Honourable senators, this bill could register the turning point for the better development of our Atlantic provinces and for Canada as a whole. However, in this day and age I fear that no real progress can be made by way of economic development without first giving attention to roads and other means of communication. In this regard I feel that Newfoundland needs some special attention. I refer to the Trans-Canada Highway in Newfoundland. There are still some 400 miles of dirt road or, shall I say, 400 miles of potholes, along the Trans-Canada Highway in Newfoundland. I know I shall be charged by certain individuals in our tourist industry with downgrading Newfoundland by saying so, but it is the truth and, if we do not speak in such terms once in a while we shall get nowhere. We have 400 miles of road that cannot be said to meet the standards of the Trans-Canada Highway. We feel that we are deserving of special attention from the federal Government in this matter. Our economy at the moment is such that we simply cannot afford to build this 400 miles of road to Trans-Canada requirements. In the thirteen years since Confederation with Canada, our provincial debt has jumped from $3½ million to nearly $90 million, in spite of the most generous assistance during the past four or five years. But, you may ask, what justification is there for special treatment in Newfoundland's case with regard to the Trans-Canada Highway? In our opinion, this is why we should get special treatment. When we entered Confederation thirteen years ago the Canadian people took over our national debt of some $76 million. You may say that was pretty generous, and it was. Although there was a per capita debt for Newfoundland at that time of some $200, it amounted to only an increase of about $5 in the per capita debt for all of Canada. But let us not forget that in exchange we, in Newfoundland, took on Canada's debt—and I mean the gross debt—which at the moment amounts to about $21 billion, or a per capita debt of around $1,100, or a net per capita debt of, say, some $700. This in itself appears to us to be a good, bona fide reason why the remaining 400 miles of Trans-Canada Highway in Newfoundland might very well in justice be completed by the federal Government. We must not forget that much of the national debt of $700 per capita was incurred in the construction of the Trans-Canada Highway on the mainland as well as in supplying other benefits not presently enjoyed by Newfoundland. That is the reason I think Newfoundland should get a little special consideration.

Honourable senators, getting back to the bill before us, we on this side believe it is a good bill, or rather that it can be made good legislation. It is the bedrock, the foundation, and together with the will and the determination already evidenced by this Government, it is sure to provide the means

necessary for a more equitable equalization of opportunity within our Atlantic provinces.

Honourable senators, I am quite sure that if this bill passes it will lay a foundation. All that will remain is for us to get down to business. We must endeavour to do something about our secondary industries. I have quoted figures to show how necessary it is to encourage capital into industry in the Atlantic provinces, and thus provide prosperity and labour at home. Mr. Graham, whose remarks I have already quoted, feels that capital invested in such industry should be made more secure by the federal Government, so that investors would not feel obliged to put their money into projects outside of their own province.

Honourable senators, it is a pleasure to have had the opportunity to say a few words on this bill. As I have already stated, we as senators, as Canadians, and as provincial representatives, must, if we want a Canada worthy of the name, work together in harmony toward the particular matters I have mentioned.

Hon. Mr. Paterson: Would the honourable senator tell us why that wonderful iron mine under the sea at Bell Island in all these years has not progressed and provided Newfoundland with some industry? Is it because of high labour costs, or can he give us that information?

Hon. Mr. Hollett: To answer that question would be to furnish one of the answers this board ought to find. Of course, as I see it, to manufacture machinery in Newfoundland, where at the moment there is no demand for heavy machinery, would be absolutely uneconomic and unsound.

That is why, of course, the iron ore has to be shipped to smelters abroad, to be nearer the market for the machines that are to be made. That is the only answer I can give at the moment.

Another reason is that on Labrador we have now opened up some iron ore mines which can produce iron ore pellets which I understand are of higher quality than can be produced at Bell Island. I think the iron content of the ore at Bell Island is 52 per cent, and that Labrador ore can be turned out containing 65 per cent.

Hon. Austin C. Taylor: Honourable senators, when I came into the chamber tonight I had some fear that certain of the things I might say this evening might be considered a little political, but after listening to the honourable senator who has just taken his seat I now have no such fear.

Honourable senators, the bill which is now before us, namely Bill C-94, an act to provide for the establishment of an Atlantic Development Board, has already been reasonably well explained and discussed in some detail by the sponsor of the bill, the honourable senator from Kings (Hon. Mr. Welch). I should like to take this opportunity to welcome him as one of the new senators to this chamber, and I do so partly because of the fact that we belong to the same fraternity, in that we are tillers of the soil. In addition to that I believe he is probably one of the largest exporters of fruits in Canada. And he represents a constituency which was represented in the Senate by a very long-standing friend of mine. I refer to the late Senator John A. McDonald. From 1933 until his death he and I worked very closely together in agricultural matters affecting Canada as a whole and the Maritime provinces in particular. I welcome Senator Welch here and I am sure that he will make a worthy contribution to the work of the house and to Canadian agriculture, as did his predecessor.

I should also like to welcome another new senator, a man who comes from my own province, representing the constituency of Madawaska-Restigouche, and a man whom I have known for a number of years. Senator Fournier and I sat in the New Brunswick legislature at Fredericton at the same time, although on opposite sides of the house. I welcome him here too, and I shall have something more to say about him later.

It would appear to me, honourable senators, that there is no opposition to the principle of the bill now before us, but there is some difference of opinion as to its value as a means of improving the economic position of the Atlantic area.

In studying this bill, and viewing it in relation to the intent, I feel that the purpose is good, but, like some others, I question whether or not it is to perform the function that some honourable members believe it will.

As a matter of fact, I heartily disagree with what the Minister of National Revenue said when he introduced this bill, and I quote:

> I consider that the proposed legislation to set up an Atlantic Development Board is the most forward step ever taken in my lifetime for the benefit of the Atlantic provinces.

I also am forced to disagree with this comment:

> It is the only tangible gesture in more than thirty-five years since the appointment of the Duncan Commission of 1926.

Honourable senators, I don't mind admitting I am getting a bit tired and annoyed at listening to and reading statements made by

various public figures to the effect that nothing has been done for the Atlantic area in the last 30 to 35 years, and it has even been stated by some that nothing was done for the Atlantic area during the 22 years that the Liberal Party was in office in Canada.

In order to keep the record straight, I should like to review what, in my opinion, are important policies adopted by the national Government over a period of years in relation to the development of the economy of the Atlantic provinces. First, I want to refer to the appointment of the Duncan Commission in 1926—headed by Sir Andrew Rae Duncan —to hear complaints from the Atlantic provinces and to make recommendations to the Government. It is a well-known fact, but one that may be forgotten by some, that in its final recommendation on freight rates, bearing in mind the long distances that the people of the Atlantic area were forced to transport their products, and due to the sparsely settled areas in the Atlantic provinces, the commission recommended a reduction in rates of 20 per cent. The following is an excerpt from page 22 of the report:

> We recommend that an immediate reduction of 20 per cent be made on all rates charged on traffic which both originates and terminates at stations in the Atlantic Division of the Canadian National Railways, and that the same reduction be also applied to the Atlantic Division proportion of the through rates on all traffic which originates at stations in the Atlantic Division, and is destined to points outside the Atlantic Division.

Based upon this recommendation, the Government of the day passed an act in 1927, known as the Maritime Freight Rates Act, authorizing the implementation of the Duncan Commission Report on Railways, as it applied to the Atlantic provinces, or the Maritime provinces as they were known at that time. It is impossible to estimate the tremendous amount of money saved to the people of the Atlantic area in the functioning of this act. I venture to say that the amount is staggering.

I should like also to point out that in the spring of 1957 a further reduction of 10 per cent in freight rates was authorized by the Government in the Appropriation Act.

Another valuable means of assistance to the agricultural industry of the Atlantic provinces was brought about by the passing in 1948 of an act known as the Maritime Marshlands Rehabilitation Act, which gave authority to the federal Government to assist the provinces in restoring to the farm people of that region vast areas of marshlands that had been encroached on by the sea; also to assist in the repair of established aboiteaux and outside dykes. Up until November 30, 1962 the amount contributed for actual works in this connection in the three Atlantic provinces—Nova Scotia, New Brunswick and Prince Edward Island—amounted to $13,805,264. This does not include cost of administration, surveys, engineering, workshop and equipment, or construction supervision; nor does it include the amount contributed by the provinces and the individual farmers. I might point out that the total expenditure, so far as the federal Government was concerned, amounted to $20,029,042.

Honourable senators, I recall that in the early days there was established in Canada a very low freight rate on wheat and coarse grains to be exported from Canada through the ports of Halifax and Saint John. These low rates were known as export rates on grain. I am not complaining about this, because I think it was done primarily to build up the export trade of Canada. I distinctly recall appearing before the Board of Transport Commissioners at a meeting in Saint John, New Brunswick, at which I represented the New Brunswick Farmers and Dairymen's Association. There I, with others, pleaded for the export rate on coarse grains and mill feeds to be applied to these commodities purchased and used for livestock feeding in the Atlantic provinces.

As I remember, at that time grain could be shipped from western Canada to Halifax and Saint John, loaded on boats, shipped to Europe, and from there shipped back to Halifax and Saint John and sold to Maritime farmers cheaper than they could purchase it directly from western Canada. That was was the situation at that time. Following long negotiations a policy was again adopted by the Liberal government and brought into effect in October 1941 whereby feed grain was made available to farmers of the Atlantic provinces at about the same cost as to other provinces in Canada. This was done to equalize the cost of feed grains to farmers across the country. From that time until October 31, 1962 the federal Government has under this policy paid out approximately $70 million on behalf of the four Atlantic provinces.

I now wish to refer to the year 1939, when Canada was involved in the Second World War, and foremost in the minds of Canadians was the desire to win the battle for freedom and every effort was made to that end. I think we must all agree that Canada's contribution in manpower, equipment, and food was a major contribution to the winning of that war.

After a number of conferences between the provinces and the federal Government, an agreement was reached which was known as the Wartime Tax Agreement, by which the

provinces gave up certain fields of taxation and received in lieu thereof certain sums of money from the national treasury to reimburse them for that particular field of taxation. I refer particularly to income tax, corporation tax and succession duties. These agreements had worked out reasonably successfully for the provinces concerned and, as a result, after the war most of the provinces entered into a tax rental agreement with the dominion Government, on the basis of the former agreement but with some slight changes similar to the recommendations of the Rowell-Sirois Commission. This arrangement was set up under a Liberal Government. The agreements are still in effect, with some modifications and, to be fair, I must state that in my opinion they have been improved at each renewal, except the 1962 agreement.

In this latter agreement the province of New Brunswick is not in too favourable a position, compared to the other provinces, due to the natural resource income factor. However, until this new agreement was completed, New Brunswick was treated in a similar manner to other Atlantic provinces.

Being one who wants to give credit where credit is due, I want to compliment the present Government for the recognition it has shown the Atlantic area in providing what is now known as the Atlantic Provinces Adjustment Grants, which have helped out considerably. Also, I want to recognize the improvement it made in the tax agreement in 1958, changing from the 10-9-50 formula to the 13-9-50 formula, which, of course, was an increase in the income tax revenue granted to the provinces. In the case of New Brunswick this provided slightly over $2 million additional revenue and, of course, the same principle applied to the other Atlantic provinces and all provinces of Canada.

As a result of these tax agreements which were brought into effect by the former Liberal Government and through the recommendations of the Rowell-Sirois report, the agreements were modified and improved in each instance upon each renewal. To give some idea of the magnitude of these grants may I point out that in the fiscal year ending March 31, 1962, Prince Edward Island received $7,281,000, Nova Scotia $39,817,000, and New Brunswick $33,733,000. I have not the figures for Newfoundland because the amounts do not appear in the statistics until 1949. These figures do not include the annual subsidies provided for in the B.N.A. Act, or any amounts under various shared programs, such as hospital insurance, Trans-Canada Highway, vocational training, et cetera. As a matter of fact, the Atlantic provinces are now receiving around 40 per cent of their total revenues from moneys received under the tax rental agreements and constitutional subsidies provided for under the B.N.A. Act.

One could also mention the building of the Canso Causeway, and the establishment of Camp Gagetown, at a cost of around $50 million, which provides employment for hundreds of men. This, together with ancillary services, means a great deal to New Brunswick. I mention these matters to disprove the erroneous statements made by men who know differently but will not give credit where credit is due.

Having outlined the various sources of assistance to the Atlantic area, all of which have been most helpful, and admitting that we could not have existed without them, they by themselves will not solve our economic problems in the Atlantic provinces. The present bill will not solve our problems unless accompanied by complementary legislation which will give effect to the recommendations already made by former commissions and agencies, including projects presented to the national government by various agencies, and finally to give effect to the recommendations of the board that will be created under this bill. As I see it, this bill merely appoints another board or commission, which unlike some others, unfortunately, is only a part-time one, if I interpret the bill correctly. In any event, all but the chairman are to serve without remuneration. The chairman is to receive an honorarium approved by the Government; all others are allowed only expenses.

Honourable senators, it seems to me that in the Atlantic area we deserve something better than that. I believe sufficient evidence has already been submitted to the Government of Canada by other boards, commissions, provincial governments and various other organizations, including reports from high-ranking civil servants, to enable the Government to go forward immediately with a broad program of capital projects for the Atlantic area.

May I refer to the report of the Gordon Commission of 1957 as it deals with the Atlantic provinces problems. I read from page 410 of the final report:

> There is, then, a need in the Atlantic provinces for considerable expenditures of capital on basic public facilities designed to encourage development of the resources of the area. These would include, but should not be limited to, the provision or reconstruction of adequate power and co-ordinated transportation services. The cost involved in providing these needed services, however, would

seem to be beyond the financial competence of the provincial governments concerned. In view of this, we suggest that the federal Government agree to contribute a substantial sum for capital projects in the Atlantic area to be spread over a relatively short period of years.

The commission suggested that this capital, referred to in their report, should be in addition to the sums already being spent in the Atlantic area, and it further proposed the establishment of a Capital Projects Commission to co-ordinate investment and allocate federal funds. You will recall that during the session of 1957 a start was made to implement a portion of these recommendations. This was outlined in the budget speech of the Honourable Mr. Harris, and later enlarged on by the Minister of Northern Affairs and National Resources, the Honourable Mr. Lesage. I quote Mr. Harris' statement:

> It is suggested by experts in the field of electric power that advantages would result for Nova Scotia and New Brunswick from the interconnection of their electrical systems. Such interconnection would reduce the requirements for standby capacity and would permit the most advantageous location of thermal plants and the building of larger and more efficient thermal units.
>
> If the governments of Nova Scotia and New Brunswick agree and in order to help reduce the differential in the cost of power between those provinces and certain other parts of Canada, the federal Government would be prepared to provide the main interconnection facilities within and between those provinces, and to build and operate such large thermal plants as may be needed either to replace existing ones, should efficiency so indicate or to meet the requirements of growth and industrial development.
>
> Under this proposal, the transmission lines would be rented on a non-profit basis and the power would be sold at cost to provincial electric systems. The purpose would be that the plants and other facilities built under this program can be acquired by the provinces at any time on payment of their amortized cost.

The proposal of the then Government was quickly approved by the province of New Brunswick, as evidenced by a telegram from the then premier, the Honourable Hugh John Flemming, addressed to the Honourable Minister of Northern Affairs and National Resources, which reads as follows:

> Very pleased at results of March twenty-first meeting of officials Stop Government of New Brunswick accepts in principle proposal of Government of Canada to provide the main interconnection facilities for power within and between New Brunswick and Nova Scotia and to build such large thermal plants as may be needed and to sell power at cost to provincial electric systems as outlined in budget address of Honourable Walter E. Harris and discussed in detail at conference of officials mentioned Stop Letter to this effect going forward.

You will recall that after the election of June 10, 1957 the new Government headed by the present Prime Minister introduced and passed legislation to give effect to the principle outlined by Mr. Harris and Mr. Lesage with, of course, some modification. I think the honourable senator from Madawaska-Restigouche (Hon. Mr. Fournier) will agree that the program developed was a reasonably satisfactory one. While I do not always agree with the honourable senator's political philosophy, I must state at this time, in fairness to him, that he performed a valuable and outstanding service for New Brunswick while chairman of the New Brunswick Electric Power Commission, and I am sure he will not shirk any responsibility that will arise in his new field of service here.

Honourable senators, in addition to the recommendations of the Gordon Commission and the implementation of part of them, I wish now to refer to the splendid work done by the Atlantic Provinces Economic Council, otherwise known as APEC. This council is composed of men of outstanding ability in the Atlantic area, of all professions, including industrialists, top-ranking Government officials, and many others from all walks of life. Last year the council was headed by Professor W. Y. Smith, an economist from the University of New Brunswick. For some years he was economic adviser to the Flemming government in New Brunswick, and I believe he is now adviser to the Stanfield government of Nova Scotia. This council was established in 1954, when my honourable friend from Madawaska-Restigouche was a member of that government, and I give that government credit for proposing and helping to set up this economic council.

After years of study they produced a blueprint for economic development in the Atlantic area. This blueprint suggested two lines of action: first, a federal agency to expand public works on the lines proposed by the Gordon Commission and, secondly, the creation of a federal capital fund, to be used in the establishment of cornerstone industries, around which other industries could and would develop.

Honourable senators, I believe it is now over a year since the premiers of the Atlantic provinces came to Ottawa and jointly appeared before the Government to seek action on a program along the lines developed and recommended first by the Gordon Commission and, secondly, by APEC, but apparently these requests have been buried, because as far as I am aware the joint proposals to which I have referred have not even been made public.

It must be apparent to all that there now exist two major development proposals that have been declared feasible and necessary as prerequisites to large-scale industrial development in the Atlantic area. They are, first, the Prince Edward Island causeway and, secondly, the construction of the Chignecto canal, with the accompanying tidal power development. I do not mention these as in order of preference. The only reason I mention the Prince Edward Island causeway first is because of the fact that a commitment on it has already been made by the Government. It is also recognized that the studies which have been made in connection with it have proven satisfactory. I need only to quote none other than the Prime Minister to prove the accuracy of this statement. He said:

> I have two or three announcements I wish to make today. The first has to do with the Northumberland strait causeway. As the house knows, comprehensive studies were authorized by the Government in January, 1958, as to the whole question of the building of this causeway. The Government has now decided that a causeway will be built between New Brunswick and Prince Edward Island.
>
> Studies to date have involved several Government departments, consulting engineers and the National Research Council. An important part of the work was the construction of a scale model of the area by the National Research Council. The purpose of the studies undertaken has been to determine whether the project would be feasible from an engineering point of view and justified from an economic point of view. The answer in both cases is in the affirmative.

It will be noted that this statement was made on April 17, 1962 and it may be significant to note that the second announcement made at that time had to do with the dissolution of Parliament. I am just wondering if in the passing of this bill there will be a similar joint announcement. In any event, whether or not I agree with the report, it would appear that no further study by the board to be set up under this act is necessary before the commencement of this project.

The second large-scale development, which I have already referred to, namely, the Chignecto canal, with the accompanying tidal power development, is a project which when finished would complete what I call the St. Lawrence Seaway, because in my opinion this great seaway will never be complete without the establishment of the eastern terminus and what is generally referred to as the Chignecto canal.

It will be recalled that this project has been recommended more times than any other single project in the whole of Canada. As a matter of fact the first survey was made in 1686, when it was recommended by the Administrator of what was then known as New France, and since then more than twelve actual surveys have been made. It is also significant to note that each of the surveys and reports has declared in no uncertain terms that the joint development of the canal and tidal power is feasible from an engineering viewpoint and fully justified from an economic one.

It is also interesting to note that at one time, in 1871 I believe, tenders were called for the construction of the canal, but for some unknown reason no contracts were awarded. In the report of the Royal Commission of 1871, headed by Sir Hugh Allan, the following two paragraphs will be found:

> In urging this policy of canal enlargement and expansion upon the favourable consideration of the Government, the Comissioners feel that it is the one which will best stimulate the commercial development of the whole Dominion, and bind all sections together in the bonds of mutual amity and interest.
>
> The expense of these improvements will be insignificant to the direct benefit Canadian commerce will receive, and will be immediately met by larger revenue that must accrue from the tolls of a vastly increased traffic.

Then again, as late as 1958, the President of the Foundation of Canada Engineering Corporation, speaking before the Women's Atlantic Council in Saint John, New Brunswick, and after making a complete and thorough study of all the reports up to that date, had this to say in relation to it:

> What Sir Hugh Allan said in 1871 holds true today. The key to development of the industrial economy of the Atlantic provinces is low cost transportation and, I should like to add, power, and there can be little doubt but that the provision of the facilities suggested would have a very favourable impact on the economy of the Atlantic provinces. Therefore, in studying the Chignecto Canal scheme

we should not think simply in terms of what portion of present traffic could be diverted through the canal but rather we should base the studies on increased traffic which would be generated by new industrial developments in the whole region which would follow in the tracks of the construction of such a waterway and power producing facilities.

Honourable senators, in concluding my remarks on these two very necessary and urgent projects, may I appeal to all honourable members of this house as well as all members of the House of Commons to press for, yes, even to demand, that the Government make an immediate start on these two major projects for the Atlantic area. I am strongly convinced that once these are well under way, unemployment in the area will be reduced to a minimum, as opposed to the situation where upwards of 20 per cent of our working force is now unemployed.

Coming back to the bill now before us, may I say again that I do not share the enthusiasm of the Minister of National Revenue as to what this bill will accomplish by itself, and may I point out that I am not alone in that respect. It is not my intention to cite many examples on this point, but I do want to quote from an editorial which appeared in the *Globe and Mail* of Friday, December 7. It reads:

> It is difficult to share Mr. Flemming's enthusiasm. The legislation which he outlined will set up yet another organization to investigate the economic problems of the Maritimes, seek solutions, and make recommendations to the federal Government. It will, apparently, have no executive authority and no funds to invest.
>
> If this sort of action could solve the difficulties of the Atlantic Provinces, Maritimers would have been prosperous years ago. If there is one thing they have not lacked in the past it has been investigation and advice. It would be tedious to recall the whole sad history here, and we need mention only two relatively recent events. The Gordon Commission on economic prospects surveyed the needs of the Maritimes and made recommendations in 1957, and the Atlantic Provinces Economic Council has been working since 1954 to plan and promote the economic growth of the area ...
>
> A wisely planned and administered program of federal investment in the area could create new jobs on private payrolls and swell the tax revenues of the provincial governments. This could bring about a real increase in Canada's production of wealth and a future saving in the federal Government's expenses in the area. This is the type of action needed in the Maritimes. Fine words are not enough.

Some honourable senators may have heard the broadcast given yesterady by Mr. Richard Gwynn, reporting for the *Time* news service. I listened to the broadcast and was able to gather these remarks from it, which I now quote loosely:

> The lack of progress in the Atlantic provinces—or more specifically in Newfoundland, the coal area of Nova Scotia and northern New Brunswick—was making a mockery of Canada's great leap forward in the early 1950's.
>
> Now comes the Atlantic Development Board, described by its sponsor, National Revenue Minister Hugh John Flemming as the most important move made to help the Atlantic provinces in his lifetime.
>
> A job needing to be done, certainly, and a promise to do something about it. Unhappily, performance turns out to be quite different from promise, and the Atlantic Development Board is quite probably the least competent piece of legislation offered to Parliament this year.
>
> Its terms of reference, the jargon for saying what it is supposed to do, its responsibilities, the methods it will go about meeting them, all are hopelessly ill-defined.
>
> These political overtones appear to have supplanted administrative good sense. In the first place it will compete with an existing organization, the Atlantic Provinces Economic Council, which was set up by the four provincial premiers. If the federal Government really wanted to help, instead of setting up a new body and trying to hog all the credit, it would have given a large grant to APEC to allow it to hire several full-time economists for resource surveys, market analyses and the like.
>
> In the second place it is going to compete with yet another Government project, the National Economic Development Board, which is still in the process of being debated in the Commons.

While I do not hold out any great hope that the board envisioned by the legislation now before us will do any better in placing before the Government proposals that are superior in nature to those presented by former commissions and boards and, while I believe the bill is lacking in many respects,

particularly since no provision is made for any reports that the board may come up with on capital projects recommended for approval, yet I support the bill, and at the same time I express the hope that there will be no conflict of interests between the National Economic Development Board, the National Productivity Council, and the board to be set up under this legislation.

May I emphasize, honourable senators, that I am not one of those who believe the board to be set up by this legislation should be granted authority to spend money, but I do say that the Government should immediately introduce legislation complementary to this bill authorizing the establishment of a crown corporation or agency, such as an Atlantic Projects Commission or an Atlantic Provinces Development Bank or some similar institution, to bring into being and finance projects already found feasible, together with additional programs or projects that may be recommended by the board to be set up under this bill from time to time.

Honourable senators, I regret that I have taken up so much of your time, but I felt that it was necessary for me to place some of my views before you and before the public because of the many statements that have been made in the past in relation to economic development and the contributions made to the Atlantic provinces by various governments.

May I remind you, honourable senators, that we in the Atlantic provinces helped to build up the west. We have helped to build up central Canada by purchasing most of our goods from it. We have helped in our small way to build the St. Lawrence Seaway, and we are now helping to build the South Saskatchewan Dam and its ancillary works. May I now ask you in return to help us to gain a degree of economic stability comparable to that of the rest of Canada so that there will be no second-class citizens in any part of this country.

On motion of Hon. Mr. Fournier (Madawaska-Restigouche), debate adjourned.

DIVORCE

BILLS—SECOND READING

Hon. John Hnatyshyn, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-451, for the relief of Roland Boisvert.

Bill SD-452, for the relief of Gordon Richard Alexander Ramsden.

Bill SD-453, for the relief of Vivian Geoffrey Power.

Bill SD-454, for the relief of Marchetta Lino Edwards.

Bill SD-455, for the relief of Ingeborg Schmidt.

Bill SD-456, for the relief of Vickie Marks.

Bill SD-457, for the relief of Jean Mildred Fillmore.

Bill SD-458, for the relief of Kathleen Edna Belchem.

Bill SD-459, for the relief of Pamela Blair.

Bill SD-460, for the relief of Arlene June Kaczur.

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Bill SD-462, for the relief of Jacqueline Serrati.

Bill SD-463, for the relief of Philippe Le-Beau.

Bill SD-464, for the relief of Carroll Lynne Milette.

Bill SD-465, for the relief of Elizabeth Cowan Frawley.

Bill SD-466, for the relief of June Eleanor Holgate.

Bill SD-467, for the relief of Maria Papadakis.

Bill SD-468, for the relief of Edith Diane Greenberg.

Bill SD-469, for the relief of Marie Yvonne Lucie Godard.

Bill SD-470, for the relief of Maureen Carol McAlinden.

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Bill SD-472, for the relief of Elizabeth Anne Chadwick-Rider.

Bill SD-473, for the relief of Doreen Dreyer Eastwood.

Bill SD-474, for the relief of Margaret Clewes.

Bill SD-475, for the relief of Lee Leopold.

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Bill SD-477, for the relief of Therese Rivet.

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Bill SD-479, for the relief of Marlene Judith Feinstein.

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Bill SD-484, for the relief of Giselle Mignault.

Bill SD-485, for the relief of Joan Reid Koken.

Bill SD-486, for the relief of Gwynneth Margaret Forget.

Bill SD-487, for the relief of Marjorie Edith Leroux.

Bill SD-488, for the relief of Robert Fernand Marcoux.

Bill SD-489, for the relief of Allan Barry Phillips.

Bill SD-490, for the relief of Donna Maureen Vincent.

Bill SD-491, for the relief of William Joseph Rowe.

Bill SD-492, for the relief of Adrien Tellier.

Bill SD-493, for the relief of John Loughheed, otherwise known as John Lougheed.

Bill SD-494, for the relief of Linda Alice Burrows.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Hnatyshyn moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BANKRUPTCY ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce on Bill S-2, to amend the Bankruptcy Act.

Hon. A. K. Hugessen, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, moved the adoption of the report.

He said: Honourable senators, speaking on behalf of the Chairman of the Standing Committee on Banking and Commerce, it is my privilege to move the adoption of the report of that committee on Bill S-2, intituled: "An Act to Amend the Bankruptcy Act".

Your committee devoted a great deal of consideration to this bill. It held in all five sittings, each of which lasted from two to three hours. That fact, perhaps, is the reason for the substantial list of amendments suggested in the report of the committee to the bill as originally introduced.

At all times during its sittings the committee had the benefit of the advice of Mr. T. D. MacDonald, the Assistant Deputy Minister of Justice, and of Mr. John Larose, the Superintendent of Bankruptcy in the Department of Justice.

Several public bodies appeared before the committee to give their views on the bill, those bodies comprising the Credit Grantors Association of Canada, the Toronto Board of Trade, and the Montreal Board of Trade, and, although they did not appear before the committee, we were apprised of the views of the Canadian Bar Association.

With respect to this report I think I should advise the house that the bill is divided into two separate and completely distinct parts. The first part comprises sections 1 and 2 of the bill which provide for the repeal of subsection (6) of section 26 and of sections 114, 115 and 116 of the present Bankruptcy Act.

Those are the provisions of the Bankruptcy Act, passed in 1949, which provide for summary administration of small estates in cases where the total net value of the assets of the bankrupt in excess of the claims of secured creditors is not expected to realize more than $500, and those provisions of sections 114 to 116 inclusive provide an expeditious and inexpensive method of dealing with such bankruptcies.

The evidence that was given before the committee by these various bodies was to the effect that they all agreed that those sections in their present form leave a good deal to be desired. In fact, two of them, the Montreal Board of Trade and the Credit Grantors Association of Canada, agreed with the provisions of the bill to strike out these sections altogether. On the other hand, the Toronto Board of Trade gave as their opinion that there was some virtue in retaining these provisions for summary administration of small bankruptcies, provided they could be tightened up in certain respects, and they made certain suggestions to that end.

Your committee had these two alternative views before it, and in the end we decided to adopt the suggestions proposed by the Toronto Board of Trade; and, rather than strike out these summary provisions altogether, we decided to amend them and tighten them up in certain respects.

If honourable senators will look at the first page of the committee's recommendations they will find that paragraphs 1 and 2 deal with the way in which it is proposed to tighten up these provisions for summary administration of small bankruptcies. There are several changes, but I shall indicate only one or two of them.

Under the present act, in small bankruptcies of this kind the trustee is not required to

give a security bond. We were told that there has grown up a practice in certain areas—I am sorry to say, particularly in the area of my own city of Montreal—under which these provisions for summary administration have been abused by collaboration between authorized trustees and small debtors, whereby the trustee may get from the small debtor a sum of $100 or $200 for his costs and will then put the small debtor through these summary administration provisions. Having received his fee, the trustee will pay no attention to the interests of the creditors and will endeavour to get the debtor discharged, without attempting to collect any part of his assets or any part of his salary. Therefore, these changes in section 114 which your committee recommends are designed to tighten up the procedure and discourage this sort of practice.

Under the present act, no security need be given by a trustee. Under the proposed amendment the Official Receiver can, if he thinks it necessary, require a trustee to give security.

Under the present act, there is no provision for the appointment of inspectors to represent the interests of the creditors. Under the amendment the creditors have the right, if they so wish, to appoint inspectors.

There are one or two other similar provisions for tightening up these sections of the act.

That is the first part of the bill and those are, I think, the only useful comments I can make upon the report of your committee.

Honourable senators, the second part of the bill introduces into the Bankruptcy Act Part X, headed "Orderly Payment of Debts". The house will remember, from the discussions on second reading of this measure, how this section was introduced. Originally, it comprised an act of the province of Manitoba which apparently was very successful for a number of years and which very recently was copied by the province of Alberta. That legislation contained provisions dealing with the case of an honest debtor who wished to obtain an extension of time for payment of his debts, by making an orderly monthly payment into the court and by the court distributing the proceeds to his creditors every two or three months.

The trouble about that was that a recent judgment of the Supreme Court of Canada decided that the Alberta act was *ultra vires* of the province as relating to bankruptcy—which, as honourable senators know, is legislation reserved to the federal power by section 91 of the British North America Act. That decision included necessarily the presumption that the Manitoba act was also *ultra vires*. As was explained on the second reading of this bill, this new Part X has been introduced at the request of the provinces of Manitoba and Alberta to replace the provincial legislation declared *ultra vires* as constituting bankruptcy legislation. We considered this Part X very carefully and made some suggested changes in it. Those changes are not of great importance, but I should like to indicate some of them.

Section 174(1) defines the kind of debts to which Part X applies. Briefly speaking, it applies only to debts the amount of which does not exceed $1,000, though of course there may be any number of creditors with claims of less than that amount. We suggested an amendment to that subsection to permit claims of creditors in excess of $1,000 coming in under these provisions, if the creditor desires and consents so to come in.

There were some other amendments, with the details of which I do not need to trouble the house, since many of them were really only verbal modifications or changes in language required to make the legislation conform to the language of certain provincial statutes.

A suggestion was made to us by one of the parties appearing before us, that a provision should be made whereby the clerk of the court—who is to be the authority before whom the debtor appears and who is to receive the moneys—should keep a separate record of all matters coming under Part X, and that this record should be open for inspection by any creditor at any time. We provided an amendment to that effect, amendment No. 5.

The only other amendment to which I should draw the attention of the house occurs on page 10 of the bill. This deals with those cases which arise during the operation of the "orderly payment of debts" provision, when a man is still paying his debts and some sudden crisis arises in his affairs and he has to go into bankruptcy. A question would arise then as to what should be done with the moneys in the hands of the clerk of the court under the orderly payment of debts provision, when a bankruptcy order was issued against the debtor. The bill, as introduced, said in section 193 that in such an event the clerk of the court should pay over to the trustee in bankruptcy the moneys he had collected. We thought it would be undesirable to maintain this provision since in certain cases it might tempt a trustee to encourage a man to go into bankruptcy if there were several hundred dollars standing to his credit with the clerk of the court. We changed the section so as to provide that if the man went into bankruptcy at a time when moneys were on deposit to his credit with the clerk under these special

provisions, those moneys should be distributed by the clerk amongst those creditors who had filed their claims.

Honourable senators, that is as clear an explanation as I can give of the report made by your committee. We worked very hard on the bill and we heard quite a number of representations. As a result, this report represents the best judgment of your committee as to the way this bill should appear on our statute books.

Report adopted.

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

Hon. Mr. Higgins moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, December 18, 1962

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

Prayers.

PRIVATE BILL

THE UNION OF SLAVIC CHURCHES OF EVANGELICAL CHRISTIANS AND BAPTISTS OF CANADA—FIRST READING

Hon. Harry A. Willis presented Bill S-21, to incorporate The Union of Slavic Churches of Evangelical Christians and Baptists of Canada.

Bill read first time.

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

Hon. Mr. Willis moved that the bill be placed on the Orders of the Day for second reading on January 29, 1963.

Motion agreed to.

CANADA COUNCIL

REPORTS REFERRED TO FINANCE COMMITTEE

Hon. A. J. Brooks moved, pursuant to notice:

> That the Reports of the Canada Council for the fiscal years ended March 31, 1961, and March 31, 1962, laid before the House on July 4, 1961, and October 10, 1962, respectively, be referred to the Standing Committee on Finance in order to provide a review thereof, pursuant to section 23 of the Canada Council Act.

Hon. W. Ross Macdonald: May I ask the Leader of the Government (Hon. Mr. Brooks) why the report which was tabled on July 4, 1961 was not shortly thereafter referred to the Finance Committee? More than a year has intervened since we have had the report and it has not been considered by the committee.

Hon. Mr. Brooks: That is a very good question, honourable senators. I was not here at the time. However, I shall make inquiries and find out just why it was not referred earlier.

Hon. Mr. Macdonald (Brantford): I was here at the time, and probably I must accept some of the blame; but it does occur to me that it is quite unusual for a report to be tabled for over a year before being considered. However, it was not considered, and I am glad that it is now to be referred to committee.

Hon. Mr. Brooks: As a matter of fact, I am slightly puzzled as to the delay myself.

Hon. Mr. Hugessen: May I ask the honourable Leader of the Government what the committee is required to do under section 23 of the Canada Council Act? What particular kind of review is the committee expected to make of the reports of the Canada Council?

Hon. Mr. Brooks: My understanding is that this has been done in the past, and I should judge that on this occasion we will be following the established procedure. I will also look into that matter.

Hon. Mr. Hugessen: But the motion requires the committee to provide a review, pursuant to section 23 of the Canada Council Act.

Hon. Mr. Brooks: I am very sorry, but I shall have to look into the matter.

Motion agreed to.

DIVORCE

BILLS—THIRD READING

Hon. John Hnatyshyn, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-451, for the relief of Roland Boisvert.

Bill SD-452, for the relief of Gordon Richard Alexander Ramsden.

Bill SD-453, for the relief of Vivian Geoffrey Power.

Bill SD-454, for the relief of Marchetta Lino Edwards.

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Bill SD-489, for the relief of Allan Barry Phillips.

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Bill SD-491, for the relief of William Joseph Rowe.

Bill SD-492, for the relief of Adrien Tellier.

Bill SD-493, for the relief of John Loughheed, otherwise known as John Lougheed.

Bill SD-494, for the relief of Linda Alice Burrows.

Motion agreed to and bills read third time and passed, on division.

BANKRUPTCY ACT

BILL TO AMEND—THIRD READING

Hon. John G. Higgins moved the third reading of Bill S-2, to amend the Bankruptcy Act.

Motion agreed to and bill read third time and passed.

ATLANTIC DEVELOPMENT BOARD BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Choquette for the second reading of Bill C-94, to provide for the establishment of an Atlantic Development Board.

Hon. Edgar Fournier: Honourable senators, it is with great pleasure that I undertake to say a few words on this bill. I wish to compliment all the senators who spoke on it, and especially Senator Welch on his comprehensive and able introduction of the bill.

I listened attentively to the many speakers who spoke on this bill, and I must say that in my opinion many of them were out of order in speaking on matters which had no relation whatever to the bill itself.

I must say I deplore the fact that so many illustrious and constructive speeches, containing such commendable recommendations, were rendered somewhat tasteless by an overdose of red pigment. One sitting here last Thursday would have thought that he was listening to a retired professor of medical science, carried away by partisan ambition, condemning modern science because his past practice had seen so many failures.

I have no intention of following the same course. To answer the remark made by honourable Senator Connolly of Halifax about the bonfire that would burn continuously for ten years, I would say that if he were to add to the fire all the promises and failures that his party made to the Atlantic provinces in that period the fire would be kept burning for twenty years.

Senator Burchill, a great New Brunswicker and a personal friend of mine for many years—the lumber king of New Brunswick, as he is known—referred to his membership on many boards. He had no trouble naming several, and naturally he dressed them also with some red paint. I was amused to hear him admit so freely that practically every board of which he was a member was a failure.

Honourable senators, what has been the result of these uncalled for remarks throughout the Maritimes? I must say that every one of the speeches, except for the overdoses I mention, were of the highest quality, delivered by thoroughly experienced citizens, senators who know conditions in their own province and who brought to the debate valuable contributions. However all of these were buried by some Maritime newspapers playing the hi-fi Liberal fiddle; they took

pleasure in playing up the critical side of the speeches rather than their constructive contributions.

I deplore this procedure which does so much harm to our cause. If these statements of honourable senators were to remain within the walls of this august chamber, I am sure we are all men enough to screen them for their merit; but when they are thrown to the public, and for one purpose only, the consequences are destructive and in many cases the damage is beyond repair.

Honourable senators, criticism is the easiest thing in the world, for nothing is perfect. Any one can rise here and find fault and tear apart any piece of legislation. If I wanted to do that, it would be the easiest thing in the world to do, right or wrong. But, honourable senators, do you not think I would look rather foolish, coming from the Maritimes, were I to try to destroy what seems to be helpful? Instead, if I in a humble way try to make some contribution, right or wrong, I believe I will receive better appreciation.

I must touch upon one point in the speech of the honourable senator from Halifax North (Hon. Mr. Connolly), when he said:

> It would be a board without a single citizen of the Maritime provinces on it.

I am sure he was not really being sincere when he made that statement. First, I believe that this is an insult to the Maritime people, as they do not deserve this kind of treatment. For too long this has been the attitude of a few, that we in the Maritime provinces cannot run our own affairs. Yet we find right across Canada many of the largest industries and manufacturers have at their head former Maritimers. Surely, it is we, the Maritimers, who know our problems best, and we must not expect that western or central Canada will solve them for us. They may be delighted to help us, as I am sure they are, but it is we of the Maritimes who will have to pull the plow; we will have to be the leaders; we will have to roll up our sleeves. We must not expect that strangers or outsiders will solve the problems for us.

The honourable senator from Halifax North called it "a commercial war." This is a very poor way to start a war. This is admitting defeat before the battle starts, and it is not a true Maritimer's statement. The honourable senator referred to his impatience with boards. He said:

> ...boards which all too often are made up of people who have a most impractical approach to the problems they are asked to investigate...

Well, I fully endorse this statement, and I believe this could be the greatest danger we are facing.

There is another problem. Many think that immense public works projects would be the answer. Others claim that higher standards of education will cure our high unemployment. Others suggest that mass deportation from various areas will cure the ill. Before we arrive at a conclusion I should like for a few moments to try to tell honourable senators about conditions in my own county in New Brunswick. It is only one of 15 counties in the province, and the same conditions exist in about 12 others. These are the facts I shall try to put before you. Let us look for a moment at how we lived and earned our bread in the region of Madawaska some 25 years ago; then let us see how we live and earn our bread today, and what is left of our earning capacity.

The county of Madawaska has a population of some 38,000; the increase in the last 25 years has been very small. Twenty-five years ago the people of that area made their living from a combination of farming and lumbering. The farms were all small, and they would at that time provide farmers and their families with nearly all the food they needed, except possibly sugar, tea, coffee, molasses, and a few other items. The children's clothing was practically all made at home, and children walked to school. Taxes were low. Horses were used by farmers for their daily work. The farmer was able to find outside employment at any time, either alone or with his horses. People used local wood for heating and cooking; this was a good market at one time and would provide necessary cash to afford the people a happy life.

That county was a prosperous lumbering area. I can remember when there were some 14 sawmills, the smaller ones employing maybe 40 or 50 men and the larger ones some 400 men. In the early fall there was the cutting operation; in the winter the log hauling, employing hundreds of farmers with their teams of horses; in the spring came the log drive and in the summer there was the sawing, dressing, loading and shipping of the lumber.

This was a continuous operation, which brought into the area several hundred thousands of dollars. People were happy. Social assistance or Government handouts were unknown. People respected the democratic parties and voted Liberal or Conservative—but mostly Conservative. Anyone could find employment without difficulty.

Furthermore, there were always railroad maintenance gangs, employing in summer 300 to 400 men, and a sizable amount of road maintenance provided more work for farmers and their teams of horses. The cost of living was also low, but there was ample work available and everybody was employed. People had money in their pockets, and unemployment

was unknown. That was 25 years ago. Now let us look at the transformation that has taken place and what has brought about high unemployment and poor living conditions. Let us start with the farmers.

Mechanization was imposed on our small farmers as modern living conditions brought about a program of snow removal from our highways. This brought an end to pulp hauling by farmers, and completely ruined the furnace and kindling wood market. This may sound funny, but it removed work which the farmers previously did. The removal of snow left the roads bare and the farmers, no longer able to use their horses for hauling, had to hire trucks to do this work, and the truckers absorbed all the profit.

I remember the days when my father was hauling his pulpwood to the mill for $32 per cord delivered at the mill. Today the price of pulpwood is $12 to $16 per cord at the highway, and it costs $4 per cord to have it hauled by truck, so the farmer gets less than $10 per cord. With this situation today he either works for nothing or gives his pulpwood away.

There is no longer any public work necessitating the use of horses. There is no more work for them in lumber operations, with the result that the farmers have had to dispose of their horses and become mechanized. When this mechanization started it cost a farmer approximately $1,000 for a tractor and necessary equipment for farm use. Today the same equipment costs between $6,000 and $8,000.

The farm does not produce the family food any more, and since small mixed farming could not provide a sufficient income many farmers had to completely abandon the farm and look elsewhere for a livelihood. Others went into specialized farming and this also failed because the farms were too small.

Modern education has brought in the modern regional school with up-to-date transportation for children. This has increased the taxes in my region over eight times. In 1944 the school budget was about $77,000. Last year it was over $1 million. This is a tremendous increase in such a short time.

Employment on the railroad has been cut to a minimum. Where formerly 400 men were employed, today, with modern machinery, 50 men can do the work. Today every third farm is abandoned and others are struggling to save what they now own. This is because taxes have increased out of all proportion.

This modern system of highway snow removal not only affected the farmers, but everybody in the area. The lumbermen who had been using horses for transportation—and I may add that this was a very cheap means of transportation because the upkeep of his horses cost very little—had to provide themselves with a car to get around, especially to travel to work, if they could find a job. People in rural areas have to have transportation to get to school, the post office, stores, and church. Nobody can live in the country without some means of transportation. Previously this was provided by horses. However, these people had to get rid of the old, faithful horses and provide themselves with a car. What kind of car could they afford? The only car they can afford today is the one which you and I trade in, because cars have become too expensive to run. That may seem odd, but it is a fact. This is how it has affected the farmers.

Now let us see how it has affected the lumberman. I believe I said a short while ago that previously there were at least 14 sawmills in my area. Today all have disappeared except one, and it is struggling to survive and employs fewer than 20 men. What has caused this? Large industries have been established in the region and have taken over from the Government all available timber and turned it into a pulpwood operation, putting an end to log hauling. This in turn has put an end to the use of axemen. At one time some 4,000 axemen were employed in lumbering during winter, but this force has now been reduced to 2,000. Log hauling was completely abolished, with the result that there was no more extra work for farmers. River driving was discontinued and replaced by winter trucking.

Early in 1950 another blow was dealt the pulpwood operation. The chain saw was born, and it reduced the winter cutting operation from six to four months at first, then from four to three months, and in many places now the operation lasts from two to three months. The labour force which had been already cut to 2,000 was reduced to 1,500, and then from 1,500 to 1,000, and later from 1,000 to a mere 800.

The large paper mills, in order to maintain their market, had to mechanize and install many push-button operations. This too has resulted in a number of layoffs. Worst of all, the devil himself appeared in 1960 when wood chippers were introduced into the pulpwood operation. This will undoubtedly bring about a more severe layoff in what is left of the pulp cutting operation, and within a few years the pulpwood operation will completely disappear.

Twenty-five years ago the Canadian National railroad shops employed 400 men, but today they employ less than 100. We saw men with 30 years of seniority having their jobs abolished and no other work available for

them. Where will they go? What will they do? These are questions of today. We have no industries. If a man is lucky, he gets a job and lives fairly well, but if he does not have a job then he just cannot find one.

Honourable senators, this speech may be a little too long, but I wanted to give a true picture of the situation in my home province. We need no outsiders to find the troubles in our province. We know them. Will the Atlantic Development Board solve these problems? Is a heavy program of public works necessary? Will the building of the Chignecto canal, or the P.E.I. causeway, or the development of tidal power be the answer? I do not know. In time I am sure all these undertakings will help towards bringing about some solution, but what about an answer to our immediate problems?

It has been suggested that higher education is the answer, but can we educate 4,000 men up to Grade 5 standard? Can we bring them back to school? What will they do with a Grade 5 education? Most of them cannot read or write. Suppose we are successful in taking them on to grades 11 and 12, what will they do then? After they have got that education they still have nothing to do. They must move out of the province.

That might possibly be good for the younger generation, but I am not worried so much about that generation. I am worried about the people of my own age, people of 35, 40, 45, 50 and 60 years of age who have tried to find employment and who have nothing in sight.

I hope the members of this board will be the type of people who represent every class of society, and that they will go down into these areas and find out exactly what is being faced by the people there. I hope the members of this board will be people who understand the problems of the fishermen, the lumbermen and the farmers. I hope they will not think in terms of large industries that will take three or four years to build at a cost of some $60 million or $65 million and then employ a mere 300 or 400 people. That is not exactly the solution we are looking for.

Honourable senators, I would like to change the subject for a few moments and offer some corrections to the speech made yesterday by my honourable friend Senator Taylor from Westmorland. He has been a friend of mine for many years. We did not always agree in politics, but it is a privilege to have different views and always remain friends. I cannot agree with everything he said.

First of all, I would like to thank him for giving me a few bouquets which were not entirely deserved. Senator Taylor was a member of the New Brunswick Legislature for a long time. I may say that he was the second-best Minister of Agriculture that we had in New Brunswick. He was very devoted to the cause and he did a good job. However, as he said, he was a little annoyed and tired of hearing that the Liberals had done nothing in the last 35 years. That is not an uncommon situation for a politician to find himself in. I have found myself in a similar situation on many occasions, and I have been embarrassed when faced with the truth.

Senator Taylor went back to 1926, which is 36 years ago, and talked about the Duncan Commission. This was a rather long time ago, and it is something that I feel has little relationship to this bill. I say this in a friendly way. Senator Taylor mentioned the work of that commission with respect to freight rates, and I think we all agree that it accomplished some good. I do not put forward the proposition that the Liberals have done nothing in my region. I agree that they have done something, but I believe Senator Taylor forgot to mention some of the things they did that I would like to put on the record. We agree that the work of the Duncan Commission resulted in a reduction in freight rates that was badly needed, but if we are going to go back to 1926 I would point out that many events took place in that period.

In 1929—and some honourable senators will possibly remember this better than I do—there was a stock market crash, and Canada at that time was under a Liberal Government. That was something not to be forgotten. It is a good thing it did not happen under a Conservative Government.

Senator Taylor then talked about the Maritime Freight Rates Act of 1927, and again I agree with what he said. Then he went on to speak about 1940, but I think I will skip this because I do not want to get too political.

In 1946 there was a great transformation in the lumbering operations in Madawaska County. Senator Taylor was a member of the government of that year that sold the railways land lease in New Brunswick, comprising large blocks of Crown land, to big industries for the very low price of $2.10 per acre. As we used to say, they sold it for the price of a Christmas tree. I do not criticize the large concerns that bought that land at that price. They were made a gift of it on a silver platter, and they took it. But, honourable senators, we have never recovered from that transaction.

All the little mills across the province were forced to close down their operations because timber was no longer available. This is something of which Senator Taylor is well aware because he was a member of the provincial government at that time.

I could speak of the early years of the war when many thousands of industries were brought over from England and went right

by our doorsteps on their way to central Canada. Why did they not stop in New Brunswick? It was because we never had the necessary hydro-electric power. Who formed the government in New Brunswick at that time? It was certainly not the Conservatives. It is our feeling that they had plenty of time in which to develop the much needed hydro-electric power. Lack of such power was the reason these industries by-passed us.

I should mention at this point that the honourable senator went out of his way to do some reading. I remember when I was a child I was very interested in a comic by Jules Verne, who was a dreamer. He dreamt that in our century people would fly like birds, travel the oceans like fish, and go into orbit, and so on. While I was listening to the honourable senator last night he reminded me of Jules Verne, for he tried to take the credit for many things that apparently his government proposed, but never achieved. I do not think we can give much credit to Jules Verne for his wonderful dreams. The credit should go to the people who actually built his gadgets and made reality out of his dreams.

Senator Taylor read from the 1957 editorial of *Hansard* of the House of Commons, and I have in my hand copies of documents and correspondence from the Honourable Mr. Harris who was then the Minister of Finance in a Liberal government. This is a long story, honourable senators, and I could keep you here all afternoon and tomorrow in the telling of it. I have no intention of doing that, so I shall cut a few corners.

When the Conservatives came into power in New Brunswick in 1952 we tried to follow the recommendations of the Duncan Commission. That commission recommended assistance for the Maritime provinces. I was one of those who came to Ottawa with my premier many, many times. We made proposals all the way along from 1953 and 1954, and the result was always the same. We came to Ottawa with briefs. We were well represented and well received. We saw the Prime Minister of the day the Right Honourable Louis St. Laurent, and we saw Mr. Abbott, Mr. Harris and Mr. Lesage. We had the best receptions but we never accomplished anything. There was always something missing in our brief, and we had to go back to New Brunswick to correct it. We would come back to Ottawa three or four months later with other recommendations and other adjustments to the brief, and then have to go back home again. They kept us at that for a number of years.

On April 27, 1953, there was presented here a brief for use in conjunction with the Duncan Report. Here is a letter which was received on February 3, 1954, which I will read. It is dated Ottawa 4, Ontario, February 3, 1954, and reads:

> Mr. R. S. Fitz Randolph, Comptroller General,
> Province of New Brunswick,
> Fredericton, N. B.
>
> Dear Mr. Fitz Randolph:
>
> Confirming our telephone conversation, we have, as you know, given long and careful consideration to your proposals regarding federal assistance to the Government of New Brunswick in financing the development of hydro-electric power on the St. John river.
>
> I am now directed by my minister to say that he has reviewed this matter with his colleagues, and the conclusion reached is that it would not be right or proper for the federal government to provide funds by loan or otherwise for the development of provincial natural resources along the lines you suggest.
>
> I should like to add that those of us who have been studying this problem have been impressed by the recent improvements in the New Brunswick credit rating, and I am sure that relying on the continued efficient use of established resources and the promise of rich new resources indicated by recent mineral explorations, the people of New Brunswick can look forward to a sustained period of expanding development and rising standards of living.
>
> Yours sincerely,
> (Signed) K. W. Taylor,
> Deputy Minister of Finance.

If this is not a formal refusal, I do not know what it is.

Hon. Mr. Taylor (Westmorland): May I ask the honourable senator a question? Will he also put on record the application of the New Brunswick Government over the signature of the premier, and what was said to the federal government?

Hon. Mr. Fournier (Madawaska-Restigouche): If it is available, I might do so.

Honourable senators, there is something else I would like to put on record. Senator Taylor is a politician with very long experience. In the quotation which he read last evening—which I do not have to read again, as it is printed in Senate *Hansard*—he omitted the first paragraph, and I believe that paragraph should be placed on the record. It is found on the same page, 2220, of the House of Commons *Hansard* for March 14, 1957.

Yesterday evening, Senator Taylor quoted Mr. Harris' statement, starting with these words: "It is suggested by experts—" The paragraph which I wish to put on record is this:

> Another matter affecting important areas of the Atlantic region is the relatively high cost of electric power as compared with most other parts of Canada. The Government has had a number of proposals put before it, but has not as yet been able to satisfy itself that any of these projects are both technically and economically sound and at the same time beyond the financial capacity of the provincial government concerned.

What about this proposal which the Government of Canada made to New Brunswick? I possibly was responsible for the refusal of this proposal, for as head of a $100 million corporation I could never agree that the federal Government should build a power plant in New Brunswick, not knowing the cost of the plant, the cost of the operation, and the cost of the power which would come out at the end of the line. We were never able to obtain that information from the federal Government, as they did not know. I could not take full responsibility for refusing this proposal. No businessman would approve of a construction costing some $20 million, for which he would become responsible, without knowing the cost of construction or the cost of the power which would be produced. This was the reason why we could not accept the proposal.

It was the same thing with the building of the grid system lines. We were supposed to take the equipment in and pay these bills, but like any good businessman we wanted to know where we were going. That was never made possible. However, there was a change in Government and we built a power plant. We got the assistance, according to the Duncan Report, and built a grid system. All this was taken as being an initial step towards bringing in industry, so as to raise the economy of the province of New Brunswick.

We have built one plant after another, and New Brunswick has ample power now to maintain large industries. There is even a surplus of power there. As my honourable friend would know, the generating plants of 5,000 or 8,000 kilowatts, which I called in many cases puppet plants, have gone up to 50,000 and 60,000 kilowatts. That is following the right procedure.

There was another statement which I was very pleased to hear my friend make. It is one that will cure a long-standing dispute between his premier, Premier Robichaud of New Brunswick, and the people of that province. He was talking about the 10-9-50 formula and the 13-9-50 formula. I quote:

> In the case of New Brunswick this provided slightly over $2 million additional revenue and, of course, the same principle applied to the other Atlantic provinces and all provinces of Canada.

I am glad that this is on the record, as Premier Robichaud has been telling the people of New Brunswick very forcefully and fiercely that all he was receiving from this provincial tax agreement was $640,000 or $1.04 per capita. This is in the record and is irrefutable, and has been thrown to the people of New Brunswick by Mr. Robichaud every time he has opened his mouth. I am glad the honourable Senator Taylor has cleared up this matter.

Hon. Mr. Taylor (Westmorland): On a point of privilege, I rise to indicate that I made no such statement as to what the province is getting now. What I was referring to was the change in the tax formula of 1958. The change in the basis from 10-9-50 to 13-9-50 made the difference, and that gave the province $2 million extra. Under the new tax agreement made last year we are now receiving only about $641,000 more than before.

Hon. Mr. Fournier (Madawaska-Restigouche): I cannot agree with the senator; the records are there and will speak for themselves.

Hon. Mr. Taylor (Westmorland): The records are there all right.

Hon. Mr. Fournier (Madawaska-Restigouche): I say this because I do not like these manoeuvres. Now I am very glad to come back to the Atlantic provinces question.

I know very well that those honourable senators who are engaged in large industries or living in large cities or in wealthy farming areas have no idea of the tough time we have. We are asking you for your support in this bill. I know that you will not turn us down; I know that you want to help.

For a moment, let us have faith in the promoters of this bill. If they went thus far, surely they are not going to relax? The sponsor, the Honourable Hugh John Flemming, himself a businessman, well known not only in the province of New Brunswick but across Canada, a former premier of New Brunswick, is well qualified to deal with this and no one knows better than he the condition of the Maritime provinces. Let us have faith in the Conservative Government of the day, which did more for the Maritimes in the last five years than all previous governments put together.

I will now quote some figures. No one will deny that we got $29 million for Beechwood development assistance, $3 million for grid electric power assistance, and $100 million on the tax agreement. No one will deny that we have a better deal now under the federal tax agreement. No one will deny that coal subventions have increased also. If you add these totals and spread them over the last 25 years, you can come to your own conclusions.

Let us have faith. Time will tell. Let us be confident. If this measure proves to be successful, so much the better; this is what we want. If it does not prove to be successful, then I hope we will all be here again to get behind this project and make it successful. That will be the time to raise other points and see that this project is put into operation in the proper way.

I personally do not agree with all that is in this bill. If I were to say I did, I would not be honest with you. I do not exactly agree with everything it says, but I believe we should at least give it a chance. Let us try it. There are many things in it that do not exactly suit me, but I am happy with what is going to be done at this moment.

Let us not forget that any government which cannot provide for the poor will not be able to protect the rich very long. This is the situation in my county.

Honourable senators, I should like to conclude with a few words in French. I shall be brief.

(Translation):

Honourable senators, I urge all French-speaking people in the Maritimes to forget their political affiliations and to rally unanimously behind Bill C-94, in order to give it all the support it deserves.

Let us not be led astray by some petty politician who looks at worthy legislation through the jaundiced eye of partisanship. Let us give this new legislation a chance to prove its mettle.

This bill is only the raw material; it is up to us to mould it into a sound and solid monument, even though this might take time. The rising generation will certainly benefit from it.

As for us French Canadians, we have for too long put our own political ambitions above our country's interests, and we have been the only ones to suffer therefrom. Destructive criticism, such as has been voiced by some speakers, is hollow, does not achieve anything; it merely creates confusion, discord and discouragement among our people.

The bill entitled an "Act to provide for the establishment of an Atlantic Development Board" is like a new beacon on the horizon. Our economic rehabilitation cannot be accomplished overnight because we are lagging far behind. But together, we can all march forward, firmly, side by side, and every step we take will be in the right direction. It shall be our duty to remove the largest boulders and stumbling blocks from our path if we want to build a better future.

Let us not believe that the day after royal assent is given this bill we are going to be transported into some kind of Eden, or into a new world. Let us not ask what this legislation will bring us. Rather, let us ask ourselves what we can bring to the legislation in terms of positive contribution, and with a determined effort we may reach the ideal we have been striving for, namely, a new period of Renaissance for the Atlantic provinces. If we are willing to follow this path, our efforts will be successful.

Let us not forget the proverb:

God helps those who help themselves.

Here in this house today I say: God and the Diefenbaker government help those who help themselves.

(Text):

Hon. F. Elsie Inman: Honourable senators, I do not intend to speak at length, but I hope to speak very much to the point so far as my province is concerned.

Since this is the first time I have spoken this session, I wish to join with those who have previously spoken in expressing congratulations and compliments to you, Mr. Speaker, on your elevation to your high position. We are all most happy that you have received this recognition of your service to Parliament. You and your charming wife bring dignity and graciousness to this office. We have indeed been most fortunate in our Speakers.

I wish also at this time to congratulate the new Leader of the Government (Hon. Mr. Brooks) on his appointment. Being a Maritimer, we from that area are proud of him. We know he will extend to all honourable senators the courtesy, understanding and kindness which we enjoyed from the honourable senator from Rosetown (Hon. Mr. Aseltine). We hope you and Mrs. Brooks will be very happy during your term of office.

To the new senators in this chamber I say "Welcome" sincerely. We have had the pleasure of listening to several who have already spoken, and we look forward to hearing others when the session resumes after the New Year.

Now a word or two about Bill C-94, to provide for the establishment of an Atlantic Development Board. I am happy to support the bill in principle, but I agree with some previous speakers who pointed out that lack of specific tasks and executive power will leave the board with inability to do more than make recommendations. It has been said that few politicians die because of ideals, but many ideals die because of politicians. We certainly hope this bill will not meet that fate.

The value of the Atlantic Development Board will be of great importance to the Atlantic provinces when, and if, it gets under way. There are many projects which need assistance in order to bring our economic standing into line with the other provinces of Canada. In Prince Edward Island we are handicapped in many ways. What about the causeway? We hear little about it these days. We need more and better ferry service, and more roads to resources would help our tourist industry immensely. We have miles of beautiful beaches, but they remain deserted because they are not accessible by car.

Tourist industry is big business. In Prince Edward Island it rates second to agriculture and could well rank first as an income-producing industry. But we need more facilities to take care of the ever-increasing number of visitors who come to the province each summer.

During the season of 1961 the tourist trade brought an estimated revenue of $8,384,000 to the province. I have not the figures for the 1962 season. May I say that it is not only the resort owners who benefit. All classes profit from tourism. I hope to speak of the tourist industry and Prince Edward Island at greater length later in the session.

Though in Prince Edward Island tobacco growing is yet very much in an experimental stage, there are indications that as a crop is has real potential. Experts have said that Prince Edward Island tobacco is of excellent quality and the soil of the Island is particularly well adapted to this crop. This branch of agriculture should be encouraged and assisted. The same applies to potato growing, an industry which some people say we may lose before long. Encouragement to industries is badly needed, especially industries that deal with the processing of our agricultural and sea products.

Restoration of our historic fort sites could provide work, and when completed would be added tourist attractions. They could house the relics of pioneer days. There are many items of interest along this line in our province.

The dictionary defines the word "maritime" as "belonging to the sea or ships; situated on the seaside—interested in the sea or in ships." So that puts us just where we belong. But can it be that some of the former ruggedness of character which stiffened the backs, minds, and arms of our earlier population has softened as the passion for sea and boats has become an obsession for cars and roads? Why cannot our province again become a source of supply for yachts, sailing vessels and boats of all types? With aid and encouragement this could again be a major vocation for many expert boat builders who call Prince Edward Island home.

We have in the Atlantic provinces an organization called the Atlantic Provinces Economic Council, or APEC. APEC, a word coined from the first letters of the organization's name, was the creation of business and industry in the four Atlantic provinces of Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland. The Maritime Board of Trade and the premiers of the four provinces co-operated to create APEC. This organization has developed and grown in stature by the carrying out of a sound economic assessment program that is objectively regional and is highly informative and educational. The members are interested in, and believe in, the future of the Atlantic provinces. However, APEC's only resources are men and ideas. Bringing these two together for discussion and effective action is the prime role of its members.

The proposed bill, creating the Atlantic Development Board, can and should supplement APEC by being the liaison between APEC and the federal Government. APEC needs and wants support to assure a healthy Atlantic economy.

There is a wide gap that must be bridged between the economic picture in the Atlantic provinces and the rest of Canada, and we look for this to be bridged soon and before it is too late.

At this point I should like to read a few short excerpts from Alexander Cairncross' report on Economic Development and the Atlantic Provinces—1961:

> Although there are a number of handicaps, arising chiefly from distance from markets, facing manufacturers in the Atlantic provinces, these handicaps would not be fatal to a number of industries in which transport costs are relatively low, provided:
>
> (a) these industries were assured of some initial help towards the cost of establishing new productive units;
>
> (b) they could count on some further assistance for a longer period.

> The most powerful immediate attractions to businesses contemplating production in the Atlantic provinces are likely to be a modern factory ready for occupation, offered at less than an economic rent for a limited period of years; and a grant towards the cost of training labour, bringing in skilled workers, moving plant and machinery, and other "settling-in" expenses;

He goes on to say:

> (xv) Whatever is done to attract new industry to the region will be slow in taking effect and should not be postponed or abandoned because of any temporary slowing down of development elsewhere in Canada.

Government assistance in a generous measure to these four Atlantic provinces is long overdue. There is urgency in the need, and the establishment of an Atlantic Development Board should, if composed of those people who have the interests of the Maritimes at heart, bring new life and happiness to this area of Canada.

But it cannot be emphasized too strongly that financial assistance is of paramount importance. The studies, recommendations and good wishes of any number of boards are of small value unless financial means for implementing such recommendations are readily available. May I add that it will take a long time to overcome mistakes that were made when the Maritimes came into Confederation.

Honourable senators, I am pleased to see this bill before us, and I would recommend that it be sent to the appropriate committee, probably the Banking and Commerce Committee where it could be given thorough study and careful consideration, for as the bill now stands it is only another instrument of promises to pacify a restless population.

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

Hon. Mr. Brooks: Honourable senators, it is still fairly early in the afternoon, and we should like to make as much progress as possible with this bill today. The time is short before the Christmas recess and we do not know how much work will be ahead of us in the next two days. I am wondering, therefore, if the honourable senator would feel disposed to deliver his speech this afternoon. Senator McLean, would you care to go on this afternoon?

Hon. Mr. McLean: No. I will go on tomorrow.

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

PRIVATE BILLS

QUEBEC FIRE ASSURANCE COMPANY—SECOND READING

Hon. Cyrille Vaillancourt moved the second reading of Bill S-18, respecting Quebec Fire Assurance Company.

He said: Honourable senators, the purpose of this bill is set out in a short explanatory note attached to the bill. The purpose of the bill is to change the English version of the company's name "Quebec Fire Assurance Company", to "Quebec Assurance Company", and the present French version of the company's name, "Compagnie d'Assurance de Québec contre les accidents de feu", to "Compagnie d'Assurance de Québec".

Honourable senators, that is the only change proposed by this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Vaillancourt, report referred to Standing Committee on Banking and Commerce.

CO-OPERATIVE FIRE AND CASUALTY COMPANY—SECOND READING

Hon. Donald Cameron moved the second reading of Bill S-19, respecting Co-operative Fire and Casualty Company.

He said: Honourable senators, the purpose of this bill is to convert the present company from a mutual to a joint stock company. The present contributors to the guarantee fund of the company, being members of the co-operative movement across Canada, will be given the opportunity to convert their contributions, amounting to approximately $1,100,000, into shares of the capital stock of the company. The resulting shareholders will have exclusive voting rights after the expiry date of existing policies, but surpluses may continue to be paid to policyholders as before.

The company was first incorporated in 1951, and in the ensuing eleven years has become a very successful and growing business enterprise. Present prospects are that the company will continue to grow, and the proposed change set forth in the bill will strengthen the capital structure by converting it to capital stock.

One of the main changes to be brought about by the bill will be that control of the company will be in the hands of the shareholders rather than in the hands of the policyholders as at present. However, it should be emphasized that as both policyholders and stockholders are all members of co-operatives across Canada, it is really not much of a

change in control. The change will simply consolidate control where it already exists, in the hands of the co-operative movement in Canada.

Section 4(1) of the bill refers to the schedule of the bill and converts presently contributed capital in the amount of $817,300 instead of the total contributed capital of $1,100,000. The reason for the difference between presently contributed capital and converted capital is that there are some contributors who, because of their present charters or by-laws, are unable to invest in share capital in this way. There are other contributors, mostly small ones, who would rather have their capital paid back as soon as the company is able to do so, instead of having the money converted to capital stock. The amount involved in this respect is only $282,700. If at a later time a contributor wishes to convert his contribution to share capital, he may do so under section 4(2).

Then, under section 4(4), the company can, when able, pay back the cash contributions which have been advanced.

If the company should require additional capital in the future it may obtain it in the same way as the original contributions, namely, from the co-operatives.

In section 8 provision is made for the distribution of surpluses to policyholders in the same manner as in the past. The section in the bill concerning this is the same as in the earlier act.

While no mention of it is made in the bill, it is proposed that the by-laws will limit dividends to shareholders to six per cent, in the same way as was the case of returns to contributors under the act. The net result will be that the return of surpluses earned by the company, if any, will continue to be made to the policyholders after the nominal return on capital has been made to the shareholders.

Honourable senators, I think I have covered the main points of the bill.

Hon. Mr. Hugessen: May I ask my honourable friend a question? What section of the bill provides for the return of capital to the contributor who does not wish to become a shareholder?

Hon. Mr. Cameron: Section 4(4).

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Cameron: Honourable senators, I move that this bill be referred to the Standing Committee on Banking and Commerce as soon as possible after Parliament re-convenes following the recess.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, December 19, 1962

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

Prayers.

BANK OF CANADA

EXPENDITURES ON LAND AND BUILDINGS

Hon. A. Neil McLean inquired of the Government, pursuant to notice:

> What amounts of money has the Bank of Canada spent for land and for constructing office buildings for its own use and the use of other persons in each of the following years: 1957, 1958, 1959, 1960, and 1961?

Hon. A. J. Brooks: The answer to the honourable senator's inquiry is as follows:

> Information regarding amounts spent by the Bank of Canada for land and buildings is contained in the bank's published balance sheet under the heading "Bank Premises" which also includes equipment and is after charging depreciation and deducting sales. The figures are as follows:

As at		Change from previous year	
			$
Dec. 31, 1956	$ 5,770,669		
Dec. 31, 1957	8,597,725	+	2,827,056
Dec. 31, 1958	9,795,652	+	1,197,927
Dec. 31, 1959	10,878,656	+	1,083,004
Dec. 31, 1960	11,470,473	+	591,817
Dec. 31, 1961	10,583,188	—	887,285

ATLANTIC DEVELOPMENT BOARD BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Welch for the second reading of Bill C-94, to provide for the establishment of an Atlantic Development Board.

Hon. A. Neil McLean: Honourable senators, I have read Bill C-94 quite carefully. I agree with the bill as far as it goes, but I disagree with its limited powers. The word "development" as applied to the Atlantic provinces is mentioned many, many times in the bill, as it should be. Although I am in favour of the bill, I fully realize it is very vague in many respects and that it should be more definite in its purposes. If the bill is passed as is, it seems to me that just another board will be established, so to speak. We have had such easy-going boards in the past without the results expected.

Let me read from section 9 of the bill, headed "Objects and Powers".

> (1) The objects of the Board are to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada, and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,
>
> (a) prepare on a systematic and comprehensive basis and revise as required in the light of changing circumstances, an assessment of factors relevant to economic growth in the Atlantic region;
>
> (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new measures and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;

Then the bill goes on to provide:

> 10 The Board shall meet at such times and places as it deems necessary but shall meet at least once a year in the City of Ottawa.
>
> 11 (1) The Governor in Council may appoint an Executive Director of the Board, who shall hold office during pleasure and shall be paid such salary and expenses as are fixed by the Governor in Council.

The Atlantic provinces know well their needs and are fully capable of finding a chief executive if given the authority to do so. The chief executive officer of this board will have to be a man of very high executive experience in pioneering, building and developing. Such men are available, but they likely already have big jobs. I have lived most of my life in the Atlantic provinces and have helped, in a small way, to pioneer a business from practically nothing to world-wide fame, and I know what can be accomplished there by knowledge, real hard work and capital.

As I have stated in this honourable house several times, all material wealth is derived from the land, sea, and forest. There is no other source, and we in the Atlantic provinces have these resources in abundance but they are, to a large extent, undeveloped. For instance, all we have done with our immense coal deposits is sell them as fuel; whereas, there are over 500 derivatives coal can be turned into, such as chemicals, and so forth.

I do not know of any place in America or any other part of the world where, because of 13 miles of land, vessels are forced to go 400

miles or more to reach their destination. I have in mind the building of the Chignecto canal, which we were promised at Confederation. As to the power to be generated on the canal, that is a question for the governments of Nova Scotia and New Brunswick to settle; but the digging of the ditch, or canal, and the building of locks so that ships can operate is the responsibility of the federal Government. If tolls are needed in connection with the Chignecto canal, I suppose they will have to be collected, but that was not in the promise made to these provinces at the time of Confederation.

The Atlantic provinces control about the most strategic seaboard in Canada. This came about when Newfoundland entered into Confederation. We lost about half the seacoast of British Columbia under the Alaskan award, but we still own 100 per cent of our Atlantic seaboard, and we can thank Newfoundland for saving parts of it for us. The new development of iron ore mines and other metals means that hundreds of ships loaded with ore will come down from the north and seek a protected area from the Northumberland Straits to the Bay of Fundy and hence to the United States seaboard, saving a distance of 400 miles.

Let us examine this act further, where it says an executive will be appointed to initiate and operate all this development of the Atlantic area—of course, under a board which meets occasionally, as stated. Now this will be about the most important position ever originated in the Atlantic provinces. The men of the best ability to fill such a position are those who know how to create wealth and prosperity from these abundant resources. Such men are hard to find and probably have at present important jobs, but they can be obtained if the inducement is substantial.

May I refer to the greatest private-enterprise industrialist in the British Commonwealth—a Canadian whom I knew well when he was in humble circumstances and who has now gained fame and fortune. We have always been close friends, and I asked him a short time ago what the secret of his success was. He replied, "It was not necessarily me, but the executives I was able to get to help me. My business enterprises in Canada, the United States, England, Australia, Germany, France and other countries are operated by my executives." As an old friend I asked him what he paid his executives, and he told me he paid the top ones $100,000 a year each and that they all had to make good, or else. He added that they were really the lowest-priced men in his employ, as far as profits and growth went.

What is needed in the Atlantic provinces is a pioneer builder and developer from the ground up. To talk about getting such a man at $3,000 a year or $10,000 a year is sheer nonsense. My opinion, for what it is worth, is that unless we can afford to pay at least $25,000 a year this bill is quite useless and might as well go out the window, as far as gaining the results we so badly need for our economy.

As stated, the head of this board will have to be a man who will make it his life's work to develop our vast resources on the Atlantic seaboard. It will take long and arduous hours of work to obtain the results we seek and deserve.

Honourable senators will recall that the honourable senator from Madawaska-Restigouche (Hon. Mr. Fournier), while speaking about power development in New Brunswick yesterday, read into the record a letter addressed to Mr. R. S. Fitz Randolph, Comptroller-General of New Brunswick, signed by the Deputy Minister of Finance, in which the deputy minister turned down a proposal of the province of New Brunswick for assistance in the development of the Saint John River watershed. You will also remember that the honourable senator from Westmorland (Hon. Mr. Taylor) requested that he put on record the reason for this refusal, and to read into the record the proposal by the province of New Brunswick submitted to the Government at Ottawa. This, you will recall, was not done. I would like, therefore, to put on record the request made by the Government of New Brunswick, under the signature of the then premier, the Honourable Hugh John Flemming. It reads as follows:

> (1) That the federal Government advance to the province of New Brunswick the cost of developing the Beechwood Hydro-Electric Power generating station with projects incidental thereto, estimated cost to 1960—$44,400,000.
>
> (2) That the money be advanced as required.
>
> (3) That the funds be interest free, or if this should prove to be impossible, that the rate of interest be 2½ per cent and interest free during construction.
>
> (4) That payments be made at the rate of 1.5 per cent of the principal amount each year, the first payment to be due one year after the completion of the particular project for which the money was advanced.

This proposal was presented to the federal Government in 1953.

Then again in 1955, in a brief under date of March 25 of that year, at page 27 the following appears:

It was obvious that great advantages would be gained by obtaining long term loans at a low interest rate to provide the capital for Beechwood's construction.

On March 27, 1953, a brief, outlining the need for provincial assistance to develop the Beechwood site, was presented to the Government of Canada by the Government of New Brunswick, together with a request that the federal Government agree to advance to the province as work progressed, sufficient funds to permit the development of Beechwood; that the repayment rate should be 1½% per year, starting one year after the plant goes into operation; and that the interest rate should not exceed 2½%.

That, it will be noted, appears on page 27, and on page 28 appears the letter the honourable senator referred to.

It is interesting to note that these terms are the only ones upon which the province of New Brunswick appealed to the former Liberal Government for assistance in this development; it is also noteworthy that the repayment of the loan was to be for a period of 66 years, and to be interest free if possible, but if not, the interest was not to exceed 2½ per cent.

Honourable senators, it is now interesting to note that the Flemming Government of New Brunswick accepted a loan from the Conservative Government at Ottawa for the building of Beechwood, not for $44,400,000, but for $29,000,000.

Hon. Mr. Fournier (Madawaska-Restigouche): Would you answer a question for me, sir? Would you be prepared to produce all the briefs presented after that so that the record may be complete?

Hon. Mr. McLean: I shall try and obtain that, sir.

It is also interesting to note that that government is forced to pay back to the dominion the total amount of the loan in eight equal annual instalments, and that under the act the loan would bear an interest rate not exceeding 4⅜ per cent per annum.

You will also recall that reference was made to the proposal by the former Government through the Honourable Mr. Harris and the Honourable Mr. Lesage for assistance in the development of transmission lines and power facilities in the Maritime provinces. In referring to that the honourable senator said the reason the Government of New Brunswick turned this proposal down, even after Premier Flemming accepted it as a good proposal, was that the Government of Canada could not tell the Maritime provinces what the exact cost of power would be under this plan.

I would like to ask the honourable senator this question: Can any Government under any circumstances tell the exact cost of power before the power installations are made? I am sure that the honourable senator, even though he was Chairman of the New Brunswick Electric Power Commission, could not tell the people of New Brunswick, nor were the people of New Brunswick told, what the exact cost of power would be from the Beechwood development.

These facts, honourable senators, I think will clear the air so far as the honourable senator's statements yesterday are concerned.

Hon. Mr. Fournier (Madawaska-Restigouche): Mr. Speaker, may I answer the question asked by the honourable senator?

The Hon. the Speaker: You are not permitted to answer the question.

Hon. A. J. Brooks: Honourable senators, I would like to make a few remarks. I do not wish to speak at any length on the bill, except to say that it is one with which I agree wholeheartedly.

It has been suggested by some honourable members that it would be well to send this bill to a committee. It is not necessary for me to point out that this bill has already received very thorough study in the other place, and in the debate on the motion for second reading in the Senate we have heard some excellent speeches from both sides of the house. Many points have been brought out which, I am sure, will be of great benefit to the Atlantic Development Board which I am certain will be set up.

In ordinary circumstances I would not think of objecting to the sending of a bill such as this to the Standing Committee on Banking and Commerce, because no bill loses anything by being referred to that committee. In fact, there has always been some gain. However, I am sure all honourable senators will agree that this bill is not of a technical nature. It is not a bill in respect of which representations are needed from officials of a government department, or in respect of which delegations from various sections of the country would come to Ottawa to present their views. This is a clear-cut bill, having to do with the setting up of a board.

Honourable senators, my chief reason for asking that this legislation be given second reading and not be sent to a committee is lack of time. We are drawing very near the Christmas recess, and I can assure all honourable senators that the people of the Atlantic provinces are most anxious to have this bill

passed as soon as possible. I may say that if this bill is sent to a committee we will run great danger that it might not come back to this house for third reading before the recess. There is to be a recess of a month, and just what business might be placed before Parliament after that is unpredictable. When we return we may find many matters that are considered more important than this bill, although not by the people of the Atlantic provinces. They are anxious to have this bill passed and, accordingly, I ask the indulgence of the Senate in allowing this bill to be read the second time now, and to be read the third time at our next sitting.

I have expressed my feelings, honourable senators, and I am sure they are shared by the people who are most concerned with this bill, namely, the people of the four Atlantic provinces.

Hon. W. Ross Macdonald: Honourable senators, I must say that I am deeply disappointed in the possibility that this bill will receive third reading without going before a committee. It is a long bill. It is an unusual bill, and one that I think can be improved by a committee. There are some 19 clauses in it and, as the honourable Leader of the Government (Hon. Mr. Brooks) himself has admitted, committees of the Senate have in times past improved many bills. We have frequently found that bills coming to the Senate from the other place—and I cast no reflection on that house—are not perfect, and that from time to time they have been perfected in this house, especially by the Standing Committee on Banking and Commerce.

I fully expected that this bill would be referred to the Banking and Commerce Committee. I recall that in the excellent presentation made of this bill by the honourable Senator Welch we were led to believe that it would be referred to a committee. Senator Welch's words were:

> Honourable senators, I have not explained this bill in any great detail, as I expect the various clauses will be examined in committee.

If that was not a suggestion that the bill would be referred to a committee, then I do not know what it was. However, the Leader of the Government has posed a problem. We are now near the Christmas recess, he says. He is a much better authority on this matter than I am, and he says that the people of the Atlantic provinces want the bill now.

I am torn between two desires, one to perfect the bill, and the other to let the people of the Atlantic provinces have it in its present form without delay. If there are imperfections in the bill, I suppose we can correct them at some other time. I would not wish to prevent the passage of the bill and thus deny the Atlantic provinces the benefits of it, if there are such.

We have heard arguments both ways here. Some honourable senators have submitted that there is nothing new in the measure, that similar commissions have been set up on many occasions since Confederation and that this is just another such effort. That may be so. It is obvious that there have been many commissions.

The thought occurs to me that it might be better for the Atlantic provinces if even a small committee of this house were set up to examine the recommendations made in the past and make representations to the Government right now, within the next month or two.

What new recommendations could come forward? As I listened to the arguments advanced here during the past week regarding this and that commission, it seemed to me that nothing had been done about them and many of them had been entirely overlooked. A small committee such as I suggest could examine those recommendations and bring forth something which would get action now for the Atlantic provinces. However, the Government has not seen fit to act in that way and has brought in this new bill entitled "An Act to provide for the Establishment of an Atlantic Development Board." It must have taken considerable time to decide on the wording of the bill, as there were so many previous boards. Now someone has thought up a new name for a new board.

The Atlantic provinces want another try at a solution of their problems, and I am not inclined to stand in the way of this bill going forward. As the Leader of the Government (Hon. Mr. Brooks) has said, if this bill goes to committee it could not be given the consideration it should receive before Christmas, and if it goes over Christmas it cannot be again considered until January 28, when the committee would have to go to work. This would mean that it could be well into February before the bill would be finally considered. In view of the apparent wish of the Atlantic provinces that they should have the measure passed, I think it is inconceivable that we should hold it up that long. Therefore, with regret, but under the circumstances, so far as I am concerned I do not object to the bill being brought forward, not today, but tomorrow, for third reading.

Hon. Jean-François Pouliot: Honourable senators, I was glad to yield to the two leaders, so as to hear their remarks about this bill. I hope no one will think I am

opposed to the redressment of the wrongs which may or may not have been suffered by the Atlantic provinces.

From the time of Sir John Macdonald, the first Prime Minister after Confederation—and the practice existed before that, as you all know—there was one easy way to solve all Canadian problems, though only for the time being, and to satisfy the minds of people who had a grievance to lay before the Throne. People with a grievance were asked, "What is the matter? What do you complain of?" And they were told, "If you are not satisfied, the Government will appoint a commission." Then, when a commission was not enough the Government appointed a board, something above a commission. Such boards were as numerous as the stars visible in the sky on a clear night. There were boards to the right and boards to the left, composed of gentlemen who had to walk ponderously, their backs slightly bent, to show they were carrying a great burden and a heavy responsibility.

What did the boards decide? Very little. When they agreed to make recommendations, the Government paid no attention to them. Despite that, the boards existed and acted as a palliative for the troubles and wrongs suffered by the people.

In this case, let us ask what is the purpose of the proposed board. For instance, the Canadian National Railways is not giving a fair deal to the Maritime provinces. I know that. I know the kind of cars that are put on the trains; I know the difficulties we have with them. However, let us look at the bright future, at the silver lining to the cloud—there will be a board, and it is most urgent.

Honourable senators, it is no easy matter to establish a board. We have to rush it. We must pass two readings of the bill this very afternoon, in order to have that board become law and to inquire into certain things.

Section 9 of the bill sets out the objects and powers of the board, giving a condensation of the lawmakers' intent. Mark you, we are all lawmakers here. That section, as drafted, represents the intention of the Government on whose instructions it was drafted. It says:

> The objects of the Board are to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada...

Was that not done over a period of five years? They had 100 per cent Tory members for the province of Nova Scotia, and a good measure of members for the province of New Brunswick; four Conservative members for the province of Prince Edward Island and two for the province of Newfoundland, all for four years. Now there is one member of the Conservative party sitting for Newfoundland. Those must be capable men and familiar with what is happening in their constituencies and whatever is wrong there. They should have reported to the Government—either personally to the minister, or to the Government as a whole, in the caucus room. The purpose of a caucus is to give an opportunity to the official representatives of the people for certain constituencies to tell the Prime Minister and other cabinet members what is wrong.

We have this legislation before us today because the Conservative members from the Maritime provinces during the past five years have been afraid to speak to the Government; or, if they have spoken and told the truth, apparently they have not been listened to. Naturally, I am not in on the secrets of Government, and I must judge it as I see it. Each Conservative member from the Maritime provinces knows what is wrong in his constituency if he is in contact, as he must be, with the people, with the municipal councils, and the boards of trade, and he has only to tell the Government what is wrong there. Nevertheless, we are asked to pass this legislation today—the Leader of the Government (Hon. Mr. Brooks) is insistent upon it—and it is just because the Conservative members of Parliament for the four great Maritime provinces have not told the Government what it expects to hear from the members of the board. It strikes me as something quite unbelievable. I know very well that it must have been done, and the Government cannot have forgotten it.

But today we have this bill. First, subsection 1 of section (9) says:

> The objects of the Board are to inquire into and report—

It is just as if the Government had not heard a word from the Conservative members of the Maritime provinces about their troubles. Secondly, the board is to inquire into and report

> —upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada—

No one has any objection to that. When legislation to help the Maritimers comes before us, we from the central provinces are glad to give them a hand. We shake hands with them and say, "We are behind you, but we must know beforehand what is to be done".

The subsection goes on to say,

> —without limiting the generality of the foregoing—

Those are just meaningless words.

> —the Board may, in furtherance of its objects,
>
> (a) prepare on a systematic and comprehensive basis, and revise as required in the light of changing circumstances, an assessment of factors relevant to economic growth in the Atlantic region.

Why has that not been done during the past five years? That is elementary; it is the first thing to do. The ministers go to the Maritime provinces and make their speeches, and they must hear something in return. No one knows that better than the Leader of the Government (Hon. Mr. Brooks), who was very active. I do not say that he has not made representations to the Government for the improvement of conditions in the Maritime provinces, but I say that he has not been listened to, and for that I am very sorry.

When we think of the amount of money that is spent for western farmers, and then think of how the farmers in the east are treated, it is unbelievable. I praise the Government for having appointed Mr. Chagnon as joint Deputy Minister of Agriculture, for he is a very good man. But that is all that has been done for the farmers of the east; and when I say the farmers of the east, I include the farmers of central Canada as well as those of the Maritime provinces.

Let me read subparagraph (a) again:

> (a) prepare on a systematic and comprehensive basis and revise as required in the light of changing circumstances, an assessment of factors relevant to economic growth in the Atlantic region.

"Changing circumstances"—the circumstances have changed during the past five years. Do they have to have a diary of the changing circumstances of the farmers in the Maritimes? We see the closing of mines in Nova Scotia and New Brunswick. There is a bill yet to come before us to give the mining section of that area another chance. I will vote to give them a chance. I will ask some particulars about the intention of the Canadian National Railways in that respect, but I will be in favour of the bill. This bill has nothing to do with the other legislation that will come here as soon as it is passed by the House of Commons.

I now read paragraph (b) of section 9(1) of the bill before us:

> (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new measures and projects or the removal or mitigation of existing factors that may be considered to inhibit such development.

That is what we call in French, "midi à quatorze heures", or "noon at fourteen hours". "Exception déclinatoire", as we say, or "declinatory exception".

Now, there is more to it. The next paragraph contains a sentence that is endless. It has ten lines, and stops at a semi-colon—it is still not finished. I will read it so that you, my honourable colleagues, will see what kind of legislation is presented to us. What is the meaning of this kind of legislation, which nobody understands, and if it passes it will go on the statute books as just another act?

I now read paragraph (c):

> (c) with respect to particular measures or projects that may be referred to it by the Minister, inquire into, assess and report to the Minister upon the feasibility of such measures or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such measures or projects that in the opinion of the Board would significantly contribute to the growth and development of the economy of the Atlantic region;

Did you understand a word that I read? You heard the words, but you did not understand the meaning because it had none. And who is that great gentleman, "the Minister"? We will see. The Minister, it says, will change. It will be like a movie. In the interpretation clause, section 2, the bill says:

> (c) "Minister" means such member of the Queen's Privy Council for Canada as may from time to time be designated by the Governor in Council to act as the Minister for the purposes of this Act.

The minister will change according to the fashion; and if one minister says, "Well, I cannot deal with it", they will try another one, and finally they will go through all the Cabinet without any result. It is the first time I have seen that kind of legislation, where the minister changes. It is ridiculous. Let me repeat the last few words:

> ... as may from time to time be designated by the Governor in Council to act as the Minister for the purposes of this Act.

Who will be appointed? There are twenty-one or twenty-two Cabinet ministers. Who will take charge of that board? Will

it be a minister from the Maritime provinces? Those gentlemen are very busy. There is no Cabinet minister for the province of Newfoundland. There is only one Conservative member and he is parliamentary secretary to one of the Cabinet ministers. There is the honourable Minister of Finance, who is a busy man. Will he have time to do it? Then let us take the minister from New Brunswick. He is the Minister of National Revenue, and is also quite busy. The minister from the province of Prince Edward Island is the Minister of Fisheries, a very important activity. He does very well, too. I am not criticizing him, and I am not criticizing the two others I have mentioned; they are good men, but they have not time to look after this board. These are the best men in the Cabinet to say what conditions are in the Maritime provinces.

I challenge the Government to appoint the Minister of Finance, the Minister of National Revenue or the Minister of Fisheries, who are three important ministers holding important portfolios, to take charge of this board. A new minister will have to be appointed. New legislation will have to be passed to appoint a new minister to look after this.

They should appoint the Leader of the Government in the Senate (Hon. Mr. Brooks) to take charge of the board. I know he is very busy but he is genial, friendly, and knows all about the Maritimes; he is the man to be given the job. Honourable senators, if he were appointed I would say nothing more. But now I am in the dark; I do not know who will get the appointment. I do not know if the Government will appoint anyone as competent as our leader has been, first as Minister of Veterans Affairs and now as Leader of the Government here.

Honourable senators, there is another sentence in section 9(1) about the objects and powers of the board. It is paragraph (d):

> consider and report to the Minister upon any other matters that in the opinion of the Board may usefully be considered by it having regard to the need for a continuing sound economic development of the Atlantic region.

Do you know what the speeches will be about during the next campaign, whether it starts next month or three months from now? They will be: "We want a sound economic development of the Atlantic region. I want it too, but I know that this measure will be useless. I am honest with you. Do you blame me for being honest with you, my dear colleagues? Let me tell you sincerely that I am not impressed by this legislation at all.

I will read more under "Objects and Powers" of the board. Subsection (2) of section 9 says:

> The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, cooperate with the National Economic Development Board...

There is already one board in existence that does nothing. Now we are setting up another board, the Atlantic Development Board, and it will have to co-operate with the National Economic Development Board. Not only that, but the board we are setting up must cooperate with the National Productivity Council. That is another board or some other organization that has not been found workable and is no good. They will put the Atlantic board on those two crutches. And mark you, Sir and honourable colleagues, that is not all: There is the conscription issue, which I must read in full. Let me repeat this sentence and you will see the magnitude of the helplessness—a good English word, and I emphasize it.

> The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, co-operate . . .

I add, first.

> ...with the National Economic Development Board . . .

And second.

> ...the National Productivity Council...

Then it brings in thirty, forty or fifty

> departments, branches and other agencies of the Government of Canada having duties related to, or having aims...

Lofty aims.

> ...or objects related to those of the Board.

This legislation is introduced because the National Economic Development Board, the National Productivity Council, and all departments, branches and other agencies of the Government of Canada have been unsuccessful and useless in that respect, and we have to create another board.

All this reminds me of the way an engineer with the Department of Public Works used to practise economy. There is a wharf at Cacouna, and when the planks on the wharf rotted he used to put the good planks over the rotten ones in order to save money. Well, honourable senators, I will not use the expression "rotten" with regard to the National Economic Development Board because the name is too beautiful, nor will I use it with regard to the National Productivity Council

because the name is too sublime. But here we are, and I am surprised not to have found the word "efficiency" in the bill.

Hon. Mr. Drouin: Perhaps you could amend it.

Hon. Mr. Pouliot: I say that all the other boards or organizations or inventions have been useless, and that is why we are asked to establish a new board.

If you share my opinion about it, honourable colleagues, you will be frank with the suffering Maritimers and tell them that we will leave this bill on a shelf and we will crack the whip at the National Economic Development Board, the National Productivity Council, and all departments, branches and other agencies of the Government so that they may make useful suggestions to the Government for the assistance and relief of the good Canadian people living in the Maritime provinces.

I have nothing else to say, honourable senators, except that I am shocked at this legislation. To put it in a nutshell, if I am told by the Government that the honourable Leader of the Government in the Senate (Hon. Mr. Brooks) will be the minister in charge of this board I will agree to second and third reading at once; but if I do not know what minister or ministers will be in charge to look after it, the Senate may vote second reading today but I will object strongly to the third reading.

Motion agreed to and bill read second time.

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

Hon. Mr. Brooks: Next sitting.

Hon. Mr. Pouliot: On division. It cannot be read a third time today.

Hon. Mr. Brooks moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

STANDARD TRUST COMPANY—SECOND READING

Hon. Lionel Choquette moved the second reading of Bill S-20, to incorporate Standard Trust Company.

He said: Honourable senators, this bill is really a re-application for the passing of legislation to incorporate Standard Trust Company. This re-application becomes necessary because the company did not conform to section 13(4) of the Trust Companies Act, Revised Statutes of Canada, 1952, chapter 272. That section reads as follows:

> No certificate under this section shall be given unless application therefor is made within two years after the passing of the company's act of incorporation, or within such extended period not exceeding one year as the Governor in Council before the expiration of such two years allows.

In 1959—to be exact, on June 16 of that year—the late Senator Brunt introduced a comparable bill, Bill S-28, and on second reading, on June 18, he explained the way the company was to function. He gave in detail the qualifications of all directors, and the bill was eventually passed by the Senate on June 25, 1959.

Bill S-20, now before us has, as I have said, become necessary because of delay on the part of the company in opening its doors for business. In the case of Bill S-28 the company had the same incorporators, with the exception of Mr. Harry Willis, now Senator Harry Willis, and Murray Axmith. Senator Willis is interested in this company, but as a senator he does not think he should be one of the petitioners and introduce the bill. Mr. Axmith has no further interest in the company.

In other respects the petition is exactly the same as the former one, with the exception that the capital stock of the company in the first petition was $3 million, which could be increased to $5 million, and in this petition the company asks for the whole $5 million. The former bill was passed by both houses of Parliament and became an act of Parliament on July 18, 1959.

As I have already explained, under the law the company was required to open for business within two years of the date of incorporation, unless it received an extension. Last year an extension was applied for and granted, but it then had to open its doors prior to July 18, 1962. This was not done. Although all the capital was available, the company was unable to commence business principally because they simply could not obtain the right people for management. Over the three-year period the company attempted to find the best management they could; they had one or two individuals ready to assume office, but for some reason or other their present employers increased their salaries or gave them a bonus or interest, and so the prospective appointments fell through.

The company now makes this re-application because they have in mind suitable management personnel; they are ready to do business, and if the bill is passed they will be in operation within one year.

The relevant information concerning this incorporation can be found in the *Debates of the Senate* for the 1959 session, pages 862 to 863. I do not think it necessary for me to repeat what was said at that time; reference can always be made to the presentation made by the late Senator Brunt, which sets out the petitioners and their qualifications. They are all able and important businessmen, capable of running this type of trust company, and on the earlier occasion they received the approval of the federal Department of Insurance.

Should this bill receive second reading today, I intend to move that it be referred to the Standing Committee on Banking and Commerce. If there are any questions they can be asked at that time and there will be someone present to answer them.

Hon. Mr. Hugessen: Might I ask the honourable senator a question? If this bill is passed and the company then waits for another three years, is it likely that more of the incorporators will be appointed to the Senate?

Hon. Mr. Choquette: I am sorry, but I cannot answer that.

Hon. Mr. Willis: Honourable senators, although I am not one of the petitioners, as the honourable Senator Choquette has mentioned, because I may have a slight interest in the company I beg leave of the Senate to refrain from voting.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

INTERPARLIAMENTARY UNION

FIFTY-FIRST ANNUAL CONFERENCE AT BRASILIA—DEBATE CONCLUDED

The Senate resumed from Wednesday, December 12, the adjourned debate on the inquiry of the Honourable Senator Thorvaldson calling the attention of the Senate to the Fifty-first Annual Conference of the Interparliamentary Union held at Brasilia, Brazil, 24th October to 1st November, 1962, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

(*Translation*):

Hon. Léon Méthot: Honourable senators, as I had also the honour of representing the Canadian Senate at the Fifty-first Conference of the Inter-Parliamentary Union held in Brasilia on October 24, 1962, I would like, without overtaxing your patience, to add my own thoughts to those that have already been expressed by the three colleagues who went with me to this important meeting.

First, as my friends, the honourable Senators Thorvaldson, Beaubien and Dessureault indicated, the hospitality and kindness of our ambassador, His Excellency Jean Chapdelaine, and of his charming wife, gave us the opportunity as soon as we arrived in Brazil to visit Rio de Janeiro, that city which is known throughout the world for its beaches, and everybody has heard of or seen Copacabana, its flora, picturesque sites and architecture.

Not only did he show us around the main sections of the city, but in many places he gave us the opportunity of coming in contact with its inhabitants and of finding out that this country is now occupied, if you will pardon the expression, by people of every race from all parts of the world and who seem to be living there in perfect harmony.

It must be realized that Brazil is the colossus of Latin America, its area being almost equal to that of the United States. Its population, which is now of more than 60 million, includes Indians who were there first, Portuguese who settled the land, and negroes imported from Africa. To these I would add the Germans who are now quite numerous. And, today, even some Japanese are to be found. All those races, white, black and red, in many cases seem to have amalgamated and apparently there is no racial prejudice whatever.

French, English, Portuguese and German are spoken by important segments of the population and everybody seems happy to live in that country where the climate seemed ideal to me.

Not only did the ambassador take us on a tour of the interesting sectors of the city, but when he took us to his offices he gave us information about the people, the system of government which is in fact an imitation of the United States system, and the problems facing the country. Finally, he gave us valuable advice which allowed us to seek information before meeting with the delegations of countries represented at the meeting.

The ambassador and his wife even gave us the opportunity to visit the Canadian embassy which is indeed a splendid place of residence with an extraordinary landscaping arrangement. They were kind enough to invite us to a wonderful dinner which gave me another opportunity to realize that the Canadian cuisine is still the best.

The very next day we had to be in Brasilia, the present capital of Brazil. After flying

over 600 miles of mountains and jungle, we landed in that very special and unique city in the world.

Although the capital of the country was officially transferred to Brasilia only on April 21, 1960, as was explained by the Honourable Senator Dessureault, and the construction of the city and the installation of services are not yet completed, it is quite extraordinary to think that the idea of its foundation originated nearly 200 years ago.

Indeed, the project of moving the capital of Brazil inland took shape at the same time as did the nation's aspirations for political emancipation.

As early as 1800 a Brazilian by the name of José da Costa criticized in a London magazine the fact that the capital was in Rio de Janeiro and suggested that it should be relocated inland.

At about the same time William Pitt was advocating before the Portuguese court the establishment of a new Lisbon in the Brazilian inland.

It will be recalled that Spain and Portugal were in conflict at that time and that, for a while, the Portuguese king moved to Brazil. That was the reason why a site was being sought to build a capital which would be protected against assaults and outbursts from the people who were living by the seashore. They wanted the capital to free from the turmoil of a seaport and the transients who were working in the country's gold mines. Recent newspaper reports gave us evidence that Rio de Janeiro has among its citizens some rather unsavoury characters and that two eminent Canadians have fallen victims to them.

According to history, it was during one of his expeditions inland, in 1833, that St. John Bosco suggested that the capital be built on a site he thought would be favourable to such a project. When, in 1953, that is, 120 years later, the commission appointed to find a new location for the capital completed its studies, it chose the precise location which had been suggested by St. John Bosco.

Today, any tourist who visits the new capital can see a statue of the saint at the top of a hill which overlooks the city. From the terrace which was built at that place you can see the whole city of Brasilia. That terrace is obviously not the one we were told about in Rio. I, for my part, did visit it without a mishap. The man who was really responsible for building Brasilia, if I may express myself this way, was President Juscelino Kubitshek.

The town planner Lucio Costa was entrusted with the preparation of the plan. Costa's initial idea was to give to the city the shape of a cross, but he changed his mind and designed it like a huge aircraft. I have here two or three photographs, and if any honourable senators want to look at them they would have an idea of this aircraft shape which is Brasilia's pattern today.

At its highest extremity, which is the intended site of a radio and television tower, the city of Brasilia is bordered by a huge artificial lake fed by two streams the outflow of which operates a hydro-electric plant serving a third of the city. I should explain that this plant too does not belong to Brazilian Traction. It is a government project. When I asked why only a third of the city was supplied from this source, I was told that its capacity was inadequate for a city of half a million people. That artificial lake provides a third of the population with electric power. It was admitted that the power supply is not perfect as, once or twice a week, there is a power failure. Moreover, when we stayed at the hotel, which I think has eight to ten floors, it happened at least once or twice that we had to use the stairs, because the elevators were not operating at the moment. Those who had taken the elevators before the power failed sometimes were stuck between floors. And that was a real hazard because sometimes the power failure lasted from one hour, to one hour and a half. At the highest end of the town, which could be likened to the front of the aircraft, buildings have been erected that are currently called the "three powers".

First of all, there is a palace for the president, then a building for his staff. Parliament, which consists of the Senate and the House of Commons, comes next. To the right there are what are called the Supreme Court and the Lower Court. Near those three emblems of authority we find—a rather curious fact or coincidence—the cathedral which is built underground with only the steeple jutting out. Could it be that only the steeple appears above ground, because the cathedral is not endowed with the authority of the three powers?

To get to work in the morning, it is rather curious, but pedestrians may walk on a street other than the one reserved for motorcars, and the street reserved for pedestrians is separated from that which is reserved for motorcars by a strip of land. Furthermore, it is a one way street, so I imagine that accidents are less numerous.

In addition to that, in the body of the aircraft there are huge buildings housing the various departments, that is, those of Agriculture, Finance and other government departments.

Finally, in the wings of the aircraft there is a cross-street which presents something which is rather special since, at the crossing of that street there is another street leading to government buildings. There we see three floors, and the streets are set up so that there are no crossings. Everything seems perfect, both from the standpoint of architecture and from the standpoint of engineering.

In the wings of the aircraft we find the residential section on one side and the business section on the other. It is in the residential section that we find huge apartment buildings which may house about 1,000 persons. Those persons live in groups of 10. In one of those buildings is located provisionally our Canadian embassy, a part of which is still at Rio de Janeiro. However, it is the intention to build the Canadian embassy in Brasilia, which will take charge of both places now being occupied.

Those apartment buildings have a particular feature that they have been built to accommodate groups of 10 people in order to house 10,000 persons, and are provided with a theatre, a supermarket and, in certain places, a swimming pool and even a park for the convenience of people who live there. Of course husbands go to work but persons who stay there do not have to get away from the centre of their building, where they have all the facilities in the matter of stores or supermarkets. It is an extremely modern organization, but, in my opinion, it must be a very boring place, because wives and children never get away from the place where they habitually live.

Our conference was held in the Parliament building, mainly in the Chamber of deputies.

Forty-three of the 64 countries which are, from now on, linked to the interparliamentary undertaking were represented at the meeting.

We had delegations from the whole of Latin America, from Europe, Asia, from the Russian-dominated group and from independent countries.

According to the program prepared for our meeting, the subjects which were scheduled to be discussed were divided into four main groups: International trade as a factor of a balance of economic and social progress for countries now under development; a draft convention concerning certain measures to be taken against persons guilty of accumulating fraudulous fortunes in the exercise of public functions; terms and conditions of a general disarmament; methods to be followed in order to expedite the granting of independence to colonial countries.

One or two of us attended the meetings of each of those committees. When those decisions were referred to the general committee for consideration by the whole group, each one of us was called upon or invited to express his own views or those of the group in regard to each of those questions. For my part, I was interested in the independence of colonial countries, but I noted something rather special. For instance, when discussions dealt with a draft convention concerning certain measures to be taken against persons guilty of accumulating fraudulous fortunes in the exercise of public functions—that is, those persons who have managed to invest their money and put it safely away—I noted that the mover was a gentleman from Switzerland, and that the one who supported him was a gentleman from Panama. I conversed with these two gentlemen and I asked them whether they were not climbing in the driver's seat in order to get control of the matter.

Of course, I do not intend to report here the debates which resulted from the consideration of those four main articles of our program; those who spoke before me, Honourable Senator Thorvaldson among others, have already explained to you the resolutions which have been passed. However, a serious incident occurred, because you will recall that it was during a period of serious tension that the interparliamentary conference was held in Brasilia.

When, in December 1961, Fidel Castro made a profession of Marxist faith and made of Cuba a socialist republic, he certainly impressed all countries of Latin America, not to say more.

On the other hand, the United States had to propose to their South American partners a generous financial support in order to achieve certain long overdue reforms.

However, things did not improve very much, especially if we recall the reception given President Eisenhower and Vice-President Nixon. Finally, at the very moment when our conference was being held the situation deteriorated, and it is then that President Kennedy issued his ultimatum and ordered the inspection of all Cuba-bound ships coming from Russia in order to check whether they were carrying armaments.

The news came when we were sitting, and as a result the business of the conference was suspended.

There were at the conference delegates from Russia, Czechoslovakia, Yugoslavia and Mongolia and they unanimously stated their deep concern in front of this sudden worsening of international tension. All the delegates agreed that international disputes should be settled without recourse to force.

The calm which had prevailed in the meeting continued to obtain and even though two groups were obviously opposing each other, the discussion proceeded in perfect order.

At that time, rather strong words were uttered and I have in my hand a speech which was made by the representative of Great Britain, a certain Mr. Gilbert Longden, M.P.

May I be permitted to read a few paragraphs. Having given us a detailed explanation about what had happened—he had obtained information from Great Britain and the United States—that gentleman went on to say:

(*Text*):

> But we are now told by President Kennedy, and by the British Foreign Secretary, that the Soviet Union is engaged in introducing long-range offensive missile sites on to the Island. If that is so—and I must believe these two statesmen—it must surely be one of the most irresponsible acts in history. Here we are engaged in various Conferences whose object—pending the ultimate goal of general and complete disarmament—is to prevent the spread of nuclear weapons, and we find the Soviet Union, in direct defiance of their public and private assurances, deliberately transforming Cuba into a strategic base which will threaten not only the U.S.A., but also several of the smaller countries of the Commonwealth.
>
> This cannot be for defensive purposes, because the Soviet Union have often assured us that their nuclear capacity at home is adequate both for their own defence and for that of their Allies, including Cuba. It must therefore be with the object of upsetting the balance of nuclear power, upon which balance the safety of all of us, including the neutrals, depends.
>
> Anyone can have peace at any price. But if you want peace with justice and freedom, there must come a time to draw the line. We all remember the tragedy of the 1930's when no one—not the British, not the French, not the Americans—not the Germans—had the guts to say "No" to Hitler, with the result that millions lost their lives and millions more their freedom.
>
> President Kennedy believes that the time has now come to call a halt to the Soviet itch to convert the rest of the world to their ideology by preventing further arms and armaments from reaching Cuba. I believe that all of us here who love freedom should support him.

Mind you, honourable senators, at that minute he was talking to the Russians and to the Czechoslovakians.

> But I would appeal to our Soviet colleagues here—and, through them to Mr. Khrushchev—to believe that although we prefer our own way of life and intend to preserve it, we have no intention of forcing it on other people. We seek to show them that it brings more happiness to the individual, whatever his race or creed; and that our worship of something higher than ourselves is not mere lip service. We may not be very successful, but that is our aim.
>
> I beg the Russian leaders, who prefer their Communist way, not to force us to waste our strength in a struggle which could only end in a Pyrrhic victory, but to collaborate with us in helping the poorer nations to greater prosperity.

(*Translation*):

Following interventions such as that one, a resolution was passed inviting the United Nations Organization to take proper steps to maintain peace.

In that instant, I realized that as long as all the nations of the world can meet and discuss among themselves, as long as it is possible to maintain the United Nations and its various international organizations, as long as those meetings continue, peace will endure and a world war will be averted.

For that reason alone, I believe it is important for a country such as ours to continue sending representatives to each and every one of those conferences, and I would go so far as to say that those representatives must enjoy the confidence of the country they represent.

You may say that we did not accomplish any spectacular progress towards organizing peace and that it is still resting on precarious ground, today as yesterday.

Indeed the peace we enjoy at present rests indubitably on the balance of power and mutual fear, and not in the least on the principles of right. This I am ready to admit.

However, it is still true to say that as long as it is possible for the opponents to discuss those principles of right, peace will endure and the danger of complete destruction for our poor humanity is at least temporarily postponed.

(*Text*):

Debate concluded.

BUSINESS OF THE SENATE

Hon. A. J. Brooks: Before moving that we rise until a later hour, I would like to state that I have received word from the Leader of the other house that agreement has been reached among the different groups and parties—

Hon. Mr. Macdonald (Brantford): The Opposition and the other two groups?

Hon. Mr. Brooks: I would not say "the Opposition". The agreement is that at 5 o'clock the following items will be brought forward in this order:

1. Item number 2 on today's Order Paper in the House of Commons, Bill C-93, an Act respecting construction of a railway in the province of New Brunswick, for third reading.

I may say that this is a bill which means much to the northern part of the province as far as work is concerned during the winter months.

2. Item 21 on today's Order Paper in the other place, the resolution in the name of the Minister of Finance to amend the Federal-Provincial Fiscal Arrangements Act.

This deals with the grants to provinces for universities. The feeling is that it is very necessary that the universities receive the grants at the end of the present educational term.

3. Item 29 on today's Order Paper in the House of Commons, an Act to extend for two years the period within which sewage treatment projects can qualify for federal grants.

4. A resolution, in the name of the Prime Minister, respecting the establishment of the Canadian World Exhibition Corporation may be passed and the bill given first reading.

This concerns the organization of the World's Fair at Montreal and a grant of $20 million to the corporation.

Hon. Mr. Macdonald (Brantford): That is, just first reading?

Hon. Mr. Brooks: That bill will not be here tonight, but it is possible that some of the others will. Therefore, I move, honourable senators, that we rise until 8 o'clock this evening.

The Hon. the Speaker: There being no further business before the Senate, it is agreed that the Senate is adjourned during pleasure, to meet at the call of the bell, about 8 p.m.

The Senate adjourned during pleasure.

27511-5—32

At 8 p.m. the sitting was resumed.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF A LINE OF RAILWAY IN NEW BRUNSWICK—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-93, respecting the construction of a line of railway in the province of New Brunswick by Canadian National Railway Company from Nepisiguit Junction on the Bathurst subdivision of the Canadian National Railway in a southerly and westerly direction for a distance of approximately 15 miles to the property of Brunswick Mining and Smelting Corporation Limited.

Bill read first time.

SECOND READING

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

Hon. A. J. Brooks, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this bill had its first reading in the other place on December 3 last. I am sure all honourable senators are quite familiar with the bill, for it received lengthy consideration in the Commons, both in the house and in committee.

Honourable senators will recall that some 12 or 15 years ago there was discovered in New Brunswick one of the largest base metal ore deposits ever found in Canada or perhaps in North America.

In New Brunswick we had for years a Department of Lands and Mines, but we were always told there were no minerals in that province. It was not political because that was said under every government. That is, it was said that there were no minerals, except coal which was mined in the vicinity of Minto. About 12 or 15 years ago, as I mentioned, a young engineer from the University of New Brunswick, named Baldwin, was making a geographical survey in the northern part of our province in the vicinity of Bathurst, Newcastle and Dalhousie, and he uncovered this very rich ore. Mr. Boland of Toronto, one of the chief promoters of mining enterprises in Canada, became extremely interested, as did some of the outstanding mining companies in Canada and in the United States. There was for instance, the Heath Steel Mines of the United States, which I believe, is one of the richest mining companies in North America.

I would like to point out that this large deposit of base metal ore is favourably located as far as transportation is concerned. There has been for years a very fine harbour in Bathurst, New Brunswick, and it is being

further developed. There is another harbour not far away at Dalhousie, New Brunswick.

As far as operating a mine of this kind is concerned, we have an abundance of labour, as anyone would understand from the speeches that we have heard in this chamber, and in another place. I think I can say without boasting, that we have some of the best labour to be found anywhere in the whole dominion. Besides that, we have this rich ore, which we consider a very valuable asset as far as our province is concerned.

Bill C-93 would authorize the Canadian National Railway Company to construct a branch line of railway in the province of New Brunswick, from Nepisiguit Junction, which is on the main line of the Canadian National Railways, about 3.7 miles south of Bathurst, in a westerly direction to the mining property of Brunswick Mining and Smelting Corporation, which lies approximately in the middle of the westerly half of the parish of Bathurst, in Gloucester County. The railway line would be approximately 15 miles in length, located near the town of Bathurst and the Brunswick Mining and Smelting Corporation Limited, which is one of the largest companies operating in that area. That company is building a concentrator near the town of Bathurst.

The estimated cost of construction of the line is $1,450,000, being $96,667 per mile, which I understand is somewhat below the average cost of railway construction.

Brunswick Mining and Smelting Corporation Limited has expended a substantial sum in developing large deposits of zinc and lead ore, containing some copper and silver, in the area concerned and is currently preparing one of its properties, known as project No. 12, for production. The company has requested rail service to serve its mine and mill at this point of development by January 1964. It is expected that it will take approximately a year to construct the line. The plan is to start clearing and preparing the right of way this winter, as soon as parliamentary authority for the construction has been obtained. In that connection, I might point out that this line will be of great benefit, temporarily as well as permanently, to the people of that area.

As in the case of construction of similar branch lines in the past to serve industry, I may say that Canadian National has entered into an agreement with the mining company, wherein a guarantee is given that the industry will ship a minimum volume of traffic over the line for at least 10 years, and that appropriate penalties will be paid if during any year of the term the shipments fall below the minimum volume agreed to. The present project is recognized as being in the category of self-liquidating, and being in that category the Government has commended it to the consideration of Parliament.

Railway revenues which will be received from the traffic generated by the operations of the mining company will yield a reasonable surplus, after meeting all expenses of operation and maintenance of the branch line, cost of handling this traffic on the remainder of the system, interest on the cost of building the new line, and interest and depreciation of necessary equipment.

This project will assist in the further development of this part of the country, it is sound from an economic standpoint, and I am sure it will be favourably regarded by honourable senators. May I also say that I believe the full development of the mineral resources of this area will be one of the major considerations of the Atlantic Development Board when it is set up.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mr. Brooks: We hope smelters and refineries will be established in this area. At the present time we are shipping much of the raw ore out of the country, and we have hopes that we shall in the future be able to smelt and refine it in our own province of New Brunswick.

I recommend this bill very highly to honourable senators. Frankly, I think it commends itself to favourable consideration.

Hon. A. K. Hugessen: Honourable senators, I believe we have every right to welcome this bill. Personally I do so because it relates to an area of the country which I know fairly well, that part of northern New Brunswick which in past years has rather lagged behind the rest of the country in industrial development.

As the Leader of the Government (Hon. Mr. Brooks) pointed out, this bill is one of the first results of the remarkable and encouraging discovery, made some few years ago in the country behind Bathurst, of very large deposits of zinc and lead ores. This bill, as he has explained, is designed to provide a branch line of railway from the main line of the Canadian National, a few miles south of Bathurst, to the first development to be actually under way there belonging to the Brunswick Mining and Smelting Corporation.

I read rather carefully the evidence given on this bill before the Standing Committee on Railways, Canals and Telegraph Lines of the other place, and I am convinced that neither the country nor the Canadian National Railways will lose anything whatever as a result of the adoption of this bill and the construction of the line; but rather that much will be gained in the way of traffic.

So I think we can satisfy ourselves that this bill will in no way constitute any charge upon the revenues of the country.

My honourable friend referred to the Brunswick Mining and Smelting Corporation, which I understand is at least partly owned by European interests; and I gather that in the first instance the ores to be produced from the mine are to be shipped to Europe.

Hon. Mr. Brooks: To Belgium, I think.

Hon. Mr. Hugessen: I think my honourable friend is right, they will be shipped to Belgium. The ores will move over the proposed line, a distance of 15 miles to the present main line, and then they will be transported over the main line to the port of Dalhousie from where it is expected they will be shipped to Europe. Dalhousie is about 50 miles north of Bathurst on another branch of the main line of the Canadian National Railways. The result will be that that railway will benefit quite considerably from the freight traffic which will be originated in that respect.

I happen to know the town of Dalhousie very well because for over 30 years my family has had a country cottage close by, and I think this construction will be of advantage to Dalhousie. The town, as honourable senators know, is situated on the Baie de Chaleur. One of the interesting things about Dalhousie is that some years ago the International Paper Company built a large paper plant there, for which the principal market is New York, and they have discovered that for all practical purposes the port of Dalhousie can be treated as a year-round port. That, of course, is of interest in connection with this particular bill because the ores produced at the mine may be shipped to their ultimate destination in Europe at any time of the year regardless of the weather.

Hon. Mr. Brooks: That is the only kind of port we have in the Maritimes.

Hon. Mr. Hugessen: I fully agree with that, as a part-time Maritimer myself.

Hon. Mr. McCutcheon: You should say in the Atlantic provinces.

Hon. Mr. Hugessen: In the Atlantic provinces.

I was interested in what my friend said about the future activities of the Atlantic Development Board, which has been under discussion in this house for the last three or four days. I fully share his hope that some day we shall be able to smelt and process these ores in our own country instead of shipping them to Belgium for that purpose.

In every respect I fully support the Leader, and I hope that the Senate will pass this bill.

Hon. John J. Connolly: Honourable senators, I do not propose to delay the house for more than a few minutes about this matter because what the Leader of the Government (Hon. Mr. Brooks) and the honourable gentleman from Inkerman (Hon. Mr. Hugessen) have said convinces me, and I am sure all of us, that this is a very worthy project.

I think we should remind ourselves, however, that in the earlier days of the development of the mine to which this line of railway will run there was serious concern about how the ore could be treated economically. It was as a result of the perseverance of some experts, mainly from the St. Joseph Lead Company—an American company—and the expenditure of a great deal of money, that there was developed a form of treatment which made these ores economically marketable.

The fact that the Canadian National now sees an opportunity to establish a self-liquidating project like this would appear to me to indicate that those experiments were, first of all, successful and, secondly—and this is more important—there is probably a market for these four metals to which the honourable Leader of the Government has referred. I remember a few years ago in one of our committees there was a discussion touching upon the development of mining properties which were producing base metals, and a serious question was raised as to whether or not a market could be found for these metals.

Honourable senators will note that this is a line of railway 15 miles long. It is a project that has commended itself to the authorities of the Canadian National Railways, and I think they have abundantly established their position through the evidence they gave in the other place as to the feasibility of the project, and the fact that it will be self liquidating. But I wonder whether that provision in the Railway Act which requires the Canadian National, and any other railway, to come to Parliament every time it wishes to build a line over six miles in length is still a valid provision. This does not arise in connection with this bill alone. It arises in connection with all bills similar to this one.

The Canadian National and the Canadian Pacific are, after all, responsible companies. They are not going to embark upon hair-brained projects. As a rule, and as is the case with respect to this projected line of railway, they know exactly where the revenues are coming from; they know exactly

when their investment is going to be repaid; they know, too, that they are going to make a profit out of it, and that it is all wrapped up by contract. I wonder whether, each time they propose to build a railway more than six miles in length, they should be forced to come to Parliament to obtain authority to do so. I am sure there are projects which are deferred or postponed longer than they should be because of this requirement.

Honourable senators, I think on an occasion like this it is appropriate to mention this provision of the Railway Act, and to draw to the attention of the honourable Leader of the Government (Hon. Mr. Brooks) the need for Parliament at some time to look at this particular section and decide whether or not it is antiquated. I do not suggest that it be repealed, but perhaps the requirements should be relaxed a little.

Hon. Austin C. Taylor: Honourable senators, I should like to take a moment or two to speak in support of this bill, particularly because I am a New Brunswicker and am interested in this particular development.

My interest goes back quite a number of years before the actual development took place in the area. I share with the honourable Leader of the Government (Hon. Mr. Brooks) and others the pleasure of supporting this bill, and I express the hope that this development may continue and become one of the major industrial enterprises in our province.

The honourable Leader of the Government referred to the fact that many years ago no one thought there were any minerals in our province—and it is not too many years ago. I recall about 20 years ago while fishing in that area being told of and shown where certain iron ore had been taken out in near proximity to the town of Bathurst. That, I think, gave some impetus to the people who were interested in the development of that area during the late thirties and early forties.

I should like to give some credit, not only to the engineers from the University of New Brunswick, but to the Honourable C. T. Richard, a former Chief Justice, who was at one time a member of the other house, a member of the Legislature of New Brunswick for a number of years, and also a member of the New Brunswick Government. I recall his enthusiasm in the late 1930's regarding the possibility of mineral development in that area. As a result of his interest and that of others a good deal of investigation took place there.

My colleague from New Brunswick, honourable Senator McGrand, may remember that in 1949 or 1950, on the debate on the address in reply to the Speech from the Throne, the then Minister of Industry, the Honourable Mr. Doucet, said that the investigations had reached the position where the possibilities were now beyond the experimental stage.

Immediately following that the Deputy Minister of the department Mr. William Moore, and all the members from the northern part of the province, became keenly interested in this project. They were able to interest large corporations to come in there to make further investigations, and as a result large scale developments took place.

The extension referred to in this bill is similar to one contained in a bill which was passed two or three years ago, extending the line from south of Newcastle into what is known as the Heath Mines. I have forgotten what is the distance there.

Hon. Mr. Brooks: It is 23 miles. That was in 1956-57.

Hon. Mr. Taylor (Westmorland): This is a similar development, and I have much pleasure in supporting it. Together with the Leader of the Government I express the hope that before many years pass a smelter will be built in that area. We have every reason to be optimistic about this and I strongly commend this bill to the favourable consideration of the house.

Motion agreed to and bill read second time.

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

Hon. A. J. Brooks moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

NATIONAL HOUSING ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-102, to amend the National Housing Act.

Bill read first time.

SECOND READING

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

Hon. Lionel Choquette, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this bill is not complicated. Section 36G is replaced by a new section 36G which is, as in the former section, in two parts. The words "31st day of March, 1963" appear in four places in the former section. In each instance in the

amending section 1965 is substituted for 1963. The explanatory note to the bill says:

> The purpose of this bill is to extend for an additional two years the period within which the construction of a sewage treatment project in respect of which a loan has been or is to be made under Part VIB of the act must be completed if the municipality or municipal sewerage corporation is to be forgiven payment of a part of the principal amount of the loan and of the accrued interest thereon.

I would like to go into further details about the rate of interest that has to be paid and the advantages to be derived by municipalities or the municipal sewerage corporation.

The provisions of this bill are quite straightforward. The Government is asking Parliament to extend for another two years the period during which municipalities may qualify for a partial rebate of principal and interest on federal loans for the construction of municipal sewage treatment projects. The proposed extension would enable the important work that is being carried out in this field to proceed without interruption, and to encourage those municipalities which, for one reason or another, have not been able to take advantage of federal assistance so far to obtain the full benefit of the legislation.

The bill seeks an amendment to Part VIB of the National Housing Act, under which Central Mortgage and Housing Corporation, the federal housing agency, is authorized to make direct loans to municipalities for the construction or expansion of central sewage treatment or disposal plants and the construction of trunk collector sewers. The loans are for periods of up to 50 years, and a municipality may borrow up to two-thirds of the agreed cost of a project. The current rate of interest is 5⅛ per cent. Loans are secured by debentures, or some other agreed form of security, issued by the municipality or the municipal sewerage corporation obtaining the loan.

Honourable senators will recall that this lending program was originally approved by Parliament in December 1960. It was apparent to the Government at the time that municipalities faced serious problems arising out of pollution of soil and water resources. The practice of disposing of raw sewage in lakes and rivers and of dumping industrial waste in our waterways had created a serious health hazard in many parts of the country. Fish and game were being destroyed, beaches were becoming polluted, even drinking water supplies were in danger of contamination in some districts. Moreover, in many areas new housing had outrun the ability of municipalities to provide water and sewer services, and in these instances families were forced to depend on wells and septic tanks. Although this may be a satisfactory solution in rural areas, it poses a serious problem in urban or built-up areas.

A high concentration of wells and septic tanks could result in pollution of the soil and contamination of wells from which individual families draw their drinking water. In the fringe areas of some municipalities health authorities had become alarmed at the prospect. They feared that diseases reaching epidemic proportions might occur if the practice became more prevalent. Municipal officials and town planners in particular were also concerned about the wasteful use of land these arrangements demanded. To achieve at least a measure of safety, building lots in areas using wells and septic tanks have to be larger than normal and, in consequence, housing in these areas tends to sprawl. This not only increases road and transport costs, but results in the subversion of a more extensive area of productive agricultural land to urban use than would otherwise be required. At the same time the Government recognized that many municipalities faced serious financial difficulties in dealing with these problems.

Smaller municipalities often had trouble obtaining long-term financing for major capital works of this sort, and costs of obtaining long-term funds were exceptionally high. Even the larger towns and cities which had easier access to the capital market found it difficult to finance large-scale sewage treatment undertakings.

The 1960 legislation, by providing an additional source of funds for this type of endeavour, removed some of the financial restrictions which hindered proper development of treatment facilities. To encourage municipalities to proceed with the work as rapidly as possible, the Government also offered to forgive payment of 25 per cent of the amount of loan advanced and 25 per cent of interest paid on these loans for work completed by March 31, 1963. I am happy to be able to tell you this lending program has been extremely successful.

Honourable senators will remember that in November 1961 Parliament was asked to increase to $200 million the total amount that Central Mortgage and Housing Corporation could lend for these purposes. The total originally authorized was $100 million.

The volume of lending has continued to increase. Since December 1960 the Corporation has made 360 loans, for a total of more than $85 million. In addition, at the end of

November there were applications or inquiries in hand for a further 146 loans with a loan potential of $52.5 millions.

Loans have been made in every province in Canada and to municipalities of every size. So far nearly 200 communities of less than 5,000 population have benefited from the provisions of the act, and 62 municipalities in the 5,000 to 25,000 population range have obtained loans under the program. Loans also have been made to 36 cities of over 25,000 population.

Good progress is being made, and it is precisely for this reason that Parliament is now being asked to extend the arrangements for partial remission of principal and interest by two years, that is, until March 31, 1965. The forgiveness provision is one of the most attractive features of these loans and it has undoubtedly helped induce many municipalities to undertake these works. However, much remains to be done. For a variety of reasons, some municipal governments have not been able to draft their plans and make their arrangements as quickly as others. At the moment there are several communities, particularly in the province of Quebec and in some western provinces, which are on the verge of commencing work. Most of these will find it difficult, if not impossible, to proceed if they are unable to take full advantage of the forgiveness feature.

I need hardly point out that the only way to ensure the cleanliness of our waterways is to stop all potential sources of pollution. Even a community that has made adequate provision for disposal of its own sewage will not derive full benefits so long as other municipalities upstream fail to take corrective action. We hope that by extending these incentives for two years, many more communities will take advantage of the opportunity to finance the installation of proper treatment facilities and that this, combined with steps taken by industry to reduce or eliminate the disposal of its waste, will once again restore our rivers and other waters to their original purity so that they can render greater service to man and beast.

I urge honourable senators to support the measure so that this vital work can continue.

Hon. Norman P. Lambert: Honourable senators, I regret that we do not have more time to inquire into the background of this legislation. I may say at once that I am quite favourably disposed towards it in every way. I have been in touch for many years now with the problem referred to by my honourable friend, and particularly as it has related to our own Ottawa River which, skirting the capital centre of Canada and from its headwaters through to Montreal, is about as fetid an example of pollution as it would be possible to find anywhere on the North American continent.

As early as 1944 we had a joint committee of both Houses of Parliament to deal with this question to a certain extent, in relation to the negotiations between the municipality of the City of Ottawa and the federal Government, through the Federal Dstrict Commission, upon the grants that had been adopted for some years in relation to property matters and involving the whole question of pollution. At that time it was revealed in committee in the evidence given to us by the officials of the municipality of the City of Ottawa, as well as those of the Federal District Commission, that between the Chaudiere Falls and the easterly limits of this city, which now extends as far east as the research laboratory on the Montreal Road, there were 20 outlets of raw sewage into this river. From the Hull side, as well as that of the City of Ottawa, through those outlets pollution has been increasing for the past 20 years. Threatening prospects to the community were so serious that some effort was then made to get joint action that would meet the situation.

Since that time there have been two other joint efforts made by committees composed of members of both houses to meet this problem.

I believe that progress in this matter has been delayed as a result of jurisdictional difficulties that are naturally incidental to any dealings between municipalities, the provinces and the federal authority. Where boundary rivers such as the Ottawa are concerned progress has been slow. The Ottawa river is an outstanding example of an inter-provincial problem, and is in need of remedial measures to an outstanding degree.

I believe it is only fair to say that the province of Ontario, through the efforts of Dr. Berry, who was chairman of the Water Resources Commission of Ontario which was established about five years ago, and those associated with him, has established an effective scheme of financing, by means of 30-year amortization payments, projects for municipalities which require anti-pollution plants in their vicinity. And that work has gone ahead, as my friend has pointed out, in relation to many small communities, and also cities of 25,000 people and more. It has made fairly satisfactory headway, but there is still much to do. And the problem of taxation in relation to this work, especially as it bears on municipalities, has been a deterrent in combating this evil.

I am not going to attempt to review the problem from the point of view of need. We have had some eloquent and, indeed, very disgusting evidence placed before us in various

ways in these committees. Dr. Berry, who was one of the chief witnesses at the last joint meeting of both houses on this subject, gave, I think, a comprehensive picture of the conditions that obtained all along the Ottawa river and along many of its tributaries from west of this city all the way to Montreal.

I mention this in emphasizing the kind of problem that society is going to have to face, regardless of cost, sooner or later, and I think that the main object of this bill should be to indicate future obligations. While the capital has been increased to $200 million, as my friend pointed out, there is need for a great deal more money to be spent in remedying the condition if this country is to measure up to the wonderful conception we have of its being a healthy and scenic country where tourists may be induced to come and enjoy the fresh-water lakes, the hunting and fishing, and so on.

From the point of view of an investment for the future there is no aspect of public requirement in our country today that is more demanding than this whole question of water pollution. I must say that I regret that we do not have time to consider this bill in committee, where Dr. Bates could give us the full information which my friend summarized in relation to the progress that has been made under this legislation in the last two years.

There is no doubt about the increasing awareness of public opinion in connection with this matter, and I think we are probably approaching the point where we can compare the degree of conscious feeling about this evil with what has been accomplished in the matter of forest conservation through the schools and amongst the younger generation of Canadians. It has become a second thought with most people who go into the bushland in the summer to see to it that our forests are protected from careless use of fire. If a similar degree of consciousness can be cultivated, as I believe it will be, through publicity and the focussing of public attention on this evil of water pollution, and air pollution also, the Government will be supported in providing financial assistance for this worthy cause.

I think it would be worthy of the concentrated attention of a committee of this house, or a joint committee of the Senate and the House of Commons, to bring ourselves up to date with all information available from people like Dr. Berry of Ontario in his work of administration in that province. The province of Quebec has undertaken to set up a commission similar to that of Ontario. An act has been passed in that province similar to the Water Resources Act of Ontario, and I think a commission was appointed to administer it. One hopes that it will make the same headway that is being made elsewhere. The Ottawa River between here and Montreal needs immediate attention.

Honourable senators, in a very sporadic way I have tried to express my approval of this bill by emphasizing the urgent need for measures to further this work. These steps must be undertaken even though they involve difficulty in the way of financial accommodation for the municipalities and provinces concerned.

Motion agreed to and bill read second time.

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

Hon. Mr. Choquette moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

COAL PRODUCTION ASSISTANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-64, to amend the Coal Production Assistance Act.

Bill read first time.

SECOND READING

Hon. John M. Macdonald, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, the purpose of this bill is to make certain amendments to the Coal Production Assistance Act, which act was passed in 1949 under the title of the Maritime Coal Production Assistance Act. The original act was passed following the report of the Carroll Commission which had made a searching investigation into the coal industry.

One of the main recommendations of that commission was that coal mines should be mechanized in order to increase production and reduce costs. This would have required the coal operators to spend substantial sums of money, and the original act provided that coal operators in the maritime provinces could obtain loans under certain conditions from the Government of Canada for undertakings designed to increase the efficiency of their operations by means of mechanization.

The act also provided that the total of all loans made would not exceed $10 million, nor would any one producer be loaned more than $7½ million and the loan would not exceed two-thirds of the cost of the project. The act

further provided that loans would be repaid in semi-annual payments of not less than 30 cents per ton of coal produced by the mines in respect of which the loan was made.

Various amendments have been made to the act. In 1959 the name was changed to the Coal Producers Assistance Act and the provisions extended to all of Canada. It would also provide that the total amount available for loans would be raised to $20 million.

The amending act does four things. First, it makes a change in the terms of repayment. Under the terms of the present act, repayment could not be less than 30 cents a ton. I understand that this was considered as a reasonable part of the saving which mechanization would produce; but when the act was extended to include all of Canada the savings were not as great on coals of a low market value, such as sub-bituminous and lignite, which are found in western provinces. An amendment provided for a lower payment per ton on this type of coal of lower market value.

Secondly, the amendment provides for the taking into consideration of cases where two or more loans had been made to the same producer. At present, if a second loan is made before the first is fully repaid, then the producer has to repay 30 cents a ton on each loan. It has been found that the borrower may have to obtain the second loan to complete the project for which he received the first loan, and consequently no further saving has been accomplished by the second loan.

Therefore, the second purpose of the amendment is to provide that where a loan is outstanding in connection with a coal mine and another loan is made in connection with the same mine, the coal produced by that mine need not be included in calculating the payments on the second loan until the first loan has been fully repaid, or until two and a half years have elapsed since the last instalment of the second loan has been paid to the producer, whichever occurs first.

It is provided also that the coal producers who had previously received loans may have the benefit of the proposed amendments, as well as future borrowers.

Thirdly, the amendment provides that it shall be an offence to make a false statement to obtain a loan or to use the proceeds of a loan for a purpose other than that set out in the agreement respecting the loan.

Finally, the amendment would allow the minister to amend the agreements made with the Avon Coal Company Limited of Minto, New Brunswick.

I might add that up to March 31 last, 20 loans, with a total sum of $11,737,780, have been made. Ten of these, for a total sum of $1,654,025, have been fully repaid. As of March 31, three loans were current in Nova Scotia, five in New Brunswick, one in Saskatchewan and one in British Columbia.

Hon. John J. Connolly: Honourable senators, we are all indebted to the honourable senator from Cape Breton (Hon. Mr. Macdonald) for the explanation he has given of this bill. It seems to be a rather consequential kind of bill for the coal industry. I gather that the benefit of the act is to be applied largely to loans made to coal producers in western Canada rather than to those in eastern Canada.

Hon. Mr. Macdonald (Cape Breton): That is correct.

Hon. Mr. Connolly (Ottawa West): Therefore, the benefit will largely accrue there, because of the soft character of the coal and perhaps because the price is lower for that type of coal.

While this is the kind of measure which normally we would like to discuss in committee, I should not want to insist that a committee deal with it, because the amendments seem to be reasonable in the circumstances which have been described. However, I am wondering about section 3 of the bill which deals with special contracts entered into with the Avon Coal Company Limited, and whether the effect of this is to give the benefits that might flow from this bill to the Avon Coal Company Limited under those contracts.

I should also like to ask the sponsor of the bill (Hon. Mr. Macdonald, Cape Breton) whether any of the loans now outstanding are in default or whether they are all in good standing. If he does not now have the information I am requesting, I would be quite content, as I am sure the house would be, to receive it when the bill is called for third reading, perhaps at the next sitting.

Hon. Mr. Macdonald (Cape Breton): I think I can give the information now.

One of the purposes of the bill is to apply the benefits of this legislation to the Avon Coal Company Limited, of Minto, New Brunswick. At the present time that company has two loans to complete its mechanization program. There is one loan in Nova Scotia which, I am sorry to say, is in default. It is not very substantial, but I doubt if there will be much recovery on it. The original loan was $47,738, of which only $6,853 has been paid, which means that of the principal loan $40,884 remains unpaid, and I think it very doubtful that the loan can be recovered.

It so happened that this small company got into debt with the Workmen's Compensation

Board in Nova Scotia, which came in and seized some of its assets, and negotiations are going on between the federal and provincial authorities as to how the proceeds of the sale under the chattel mortgage can be allocated. I believe there were one or two loans where the principal was in default for a short time, and that there is only the one loan for which there is reason to believe a full recovery would not be effected.

Hon. A. J. Brooks: Honourable senators, with respect to the Avon Coal Company Limited, which is in New Brunswick, I am quite familiar with the location of the mine. It is a substantial mine, as the honourable senator from Cape Breton (Hon. Mr. Macdonald) can vouch for. The reason that the company had to borrow so much money was that it does strip-mining which, as I am sure the honourable senator knows, the machinery cost is very high. It requires a very expensive type of machine to strip 40 or 50 feet of earth, and sometimes more, off the coal. I believe that the company found that the money it first requested for stripping was not sufficient, and it had to come back for more. However, it is a substantial mine, and it is in fact paying its way.

Hon. Mr. Hugessen: May I ask my honourable friend (Hon. Mr. Brooks) if he is satisfied that the loan will be repaid in that case?

I was also going to inquire about clause 3, as did the honourable senator from Ottawa West (Hon. Mr. Connolly). I think that under normal circumstances we ought to know just what benefits we are giving the company under this clause, because we are saying that the payments under these two loan agreements shall be so much every half year. The question occurred to me: what are the present payments required under these agreements, and in what way is the company benefiting from them, and why?

Hon. Mr. Brooks: I cannot give the honourable senator a full explanation of that. I think it is to permit the company to make easier payments where they are having a little difficulty over very expensive equipment they had to purchase.

Hon. Mr. Macdonald (Cape Breton): The Avon Company is a substantial company and they have two loans outstanding now, but they will not have to pay on the second loan until they get their payments cleared up on the first loan.

Hon. Mr. McCutcheon: They are being given the benefit of the new provisions which are in the bill.

Hon. Mr. Hugessen: Are they reducing substantially the balance of the loans by means of the payments they are making now?

Hon. Mr. Macdonald (Cape Breton): No, because they come under the 30 cents a ton repayment provision.

Hon. Mr. Drouin: How is New Brunswick coal selling? Is it selling well?

Hon. Mr. Brooks: They have never had any trouble selling Minto coal. There is practically a full coal market in New Brunswick.

Hon. Mr. Connolly (Ottawa West): Can the honourable gentleman say if there is any way of eliminating the contest as to the security that the federal and provincial people might have in this matter? I am referring to the fact that there is some dispute now as to whether or not the Workmen's Compensation Board of Nova Scotia may have a prior claim over that of the federal authority. Is there any way in which that can be ironed out in case of a like situation arising in the future?

Hon. Mr. Macdonald (Cape Breton): As far as Nova Scotia is concerned, any agreement they make in regard to this matter would apply in the future, should the occasion arise.

In October 1961, this Board was advised that the Workmen's Compensation Board of Nova Scotia had seized all equipment at the mine by means of a sheriff's warrant, for monies owing. The Dominion Coal Board immediately got in touch with the federal Department of Justice to initiate action to protect the rights of Her Majesty. The negotiations took place between the Workmen's Compensation Board of Nova Scotia on the one hand and the Department of Justice and officials of the Dominion Coal Board. This resulted in the agreement that all of the equipment of the company under mortgage to Her Majesty should be sold by the sheriff at the same time as the equipment was sold to satisfy the claim of the Workmen's Compensation Board.

So apparently there was some other equipment. The negotiations are still being carried out as to who is going to get what out of the proceeds of the sale.

Hon. Austin C. Taylor: Honourable senators, I would like to say a word on this matter.

As the honourable Leader of the Government (Hon. Mr. Brooks) has already said, I am familiar with the circumstances under which the Avon Coal Company has been operating, and I have known quite well the original owners as well as the present owners of that mine.

I would like to correct the impression that was left this afternoon when a statement was made to the effect that coal mines have been closed in New Brunswick. That is not true. As a matter of fact our coal mines were never as busy as they are now, and a great deal of the coal mined in that area is being purchased by the New Brunswick Electric Power Commission. There are two thermal power plants in operation there now, and I believe there is some talk of a third one being built. There is no question of the repayment of loans made by this company under the terms of the act.

Hon. Mr. Macdonald (Cape Breton): There was never any doubt that the loans made to the Avon Company would be repaid; there was never any question whatsoever as to their reliability.

Motion agreed to and bill read second time.

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

Hon. Mr. Macdonald (Cape Breton) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. A. J. Brooks: Honourable senators, before moving the adjournment of the Senate, may I point out what may be the items for consideration tomorrow. However, I am not guaranteeing that these will be before us.

Hon. Mr. McCutcheon: We got some items tonight that we did not expect.

Hon. Mr. Brooks: That is right, and we may receive some more tomorrow. One is the Federal-Provincial Fiscal Arrangements bill, which has been given first and second reading and which, I understand, will receive third reading tomorrow in the House of Commons. Then there is a resolution on the Exhibition Administration, Bill C-103, which will receive second reading tomorrow.

Hon. Mr. Macdonald (Brantford): What is that?

Hon. Mr. Brooks: That has to do with the Montreal World's Fair.

Hon. Mr. Macdonald (Brantford): The "Montreal" World's Fair?

Hon. Mr. Brooks: The Canadian World's Fair.

Hon. Mr. Hugessen: The same thing.

Hon. Mr. Brooks: I am quoting Montreal now.

Hon. Mr. Drouin: We will grab it once the bill is passed.

Hon. Mr. Brooks: The third item is with regard to the Freight Rates Reduction Act, Bill C-91, which is to be considered further in the other place tomorrow and which we hope will arrive here in time for consideration tomorrow. Then there is interim supply for which, of course, we are all looking. I do not know whether or not there are any others.

Hon. Mr. McCutcheon: I think no one will make any predictions.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, December 20, 1962

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

Prayers.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Report of the Department of Public Printing and Stationery for the fiscal year ended March 31, 1962, pursuant to section 36 of the Public Printing and Stationery Act, chapter 226, R.S.C., 1952. (English and French texts).

Annual Report of the Commissioner of Penitentiaries for the fiscal year ended March 31, 1962, pursuant to section 14 of the Penitentiary Act, chapter 206, R.S.C., 1952. (English and French texts).

Annual Report of the Department of Northern Affairs and National Resources for the fiscal year ended March 31, 1962, pursuant to section 11 of the Department of Northern Affairs and National Resources Act, chapter 4, Statutes of Canada 1953-54. (English and French texts).

ATLANTIC DEVELOPMENT BOARD BILL

THIRD READING

Hon. Frank Welch moved the third reading of Bill C-94, to provide for the establishment of an Atlantic Development Board.

Hon. Jean-François Pouliot: Honourable senators, I wonder if the Government has made any decision concerning the appointment of the personnel of this new board?

Hon. Mr. Brooks: The bill has not yet been passed, honourable senators. I am sure the Government has some persons in mind but it cannot very well appoint anyone yet.

Hon. Mr. Pouliot: I thank the honourable gentleman for his reply. If we look at this bill we find that to a great extent its provisions relate to the future; and in addition to having the co-operation of all the departments of Government, this board will be supported by two crutches, one, the National Economic Development Board and the other the National Productivity Council. The National Productivity Council exists already, and I find some data about it in a most useful book, the Government telephone directory. It is of great assistance to me in my research. I see that the National Productivity Council is located in the Trade and Commerce building on Wellington Street. The Executive Director is Mr. Henry; the Administrative Officer, Mr. Kavanagh; the Program Director, Mr. Cowan; the Publicity Director, Mr. Radford; and the Work Study Director, Mr. Lehmann. They must be very important people because each has a personal, local telephone number. It is not everyone who has a local number; only the superior men of the civil service are entitled to that privilege. So much for the National Productivity Council.

The case of the National Economic Development Board is much more interesting because that board does not exist, it is an unborn child—and I wonder what help it could be to the Atlantic Development Board. Probably it is because one looks to the future that one relies so much on an institution that does not already exist. What is the purpose of the National Economic Development Board, its duties and powers? It is very well arranged, with not too many officials, in virtue of the well-known principle that too many cooks spoil the broth.

There is a very important difference between Bill C-87, respecting the National Economic Development Board, and Bill C-94 respecting the Atlantic Development Board, which is before this house. Bill C-94 sets out the objects and powers of the legislation, while Bill C-87 sets out the duties and powers. In that respect there is a very slight difference. But I must put on record what are the "objects and duties" of Bill C-87, which is before the House of Commons, so that one can compare it with what I read yesterday about the "objects and powers" in Bill C-94. The objects and duties are:

> It shall be the duty of the Board to furnish to the Minister all such advice and information as will best assist the Government of Canada in furthering a high and sustainable rate of economic growth in Canada, the strengthening of Canada's international financial and trade position and the achievement of the highest possible levels of efficient production and employment so as to ensure rising standards of living in all areas of Canada; and in particular, it shall be the duty of the Board
>
> (a) to study and report to the Minister upon the longer term prospects and potentialities of growth for the national economy and for particular industries and areas of Canada;
>
> (b) to study and report to the Minister upon methods and measures for stimulating the development in Canada of such industrial and other economic activities and conditions as will best advance the attainment of the objectives hereinbefore set forth; and

(c) to consider, evaluate and report to the Minister upon particular projects of longer term significance, whether or not such projects may involve direct governmental participation by way of financial aid or otherwise, and to make recommendations to the Minister with respect to any such projects that in the opinion of the Board would significantly contribute to the growth and development of the national economy.

This bill applies to the entire country from coast to coast, while the other bill, although similar to this, applies only to the Atlantic provinces. If one bill is good the other is not worth anything. My contention is that both are worthless and therefore I shall be very sorry to have to oppose this bill on third reading. I consider it is a meaningless bill.

Hon. W. Ross Macdonald: Honourable senators, yesterday we gave second reading to this bill, at which time it was pointed out that it was necessary the bill should receive third reading before the Christmas recess. The suggestion was made that if it did not receive third reading before the Christmas recess, there would be considerable delay, particularly if the bill were sent to a committee. It was stated also that if the bill were sent to committee it could not possibly be considered before Christmas, and that since it would take some time to get the committee organized it might well be the end of February or the beginning of March before the bill eventually became law.

In view of the representations which were made and the pleas of those who come from the Maritimes that it is in the interests of the Atlantic provinces that this bill be placed upon the statute books immediately, the Senate in its wisdom decided it would not insist upon sending the bill to committee. It is for that reason the bill comes to us for third reading today.

I say to the Government that if the Senate, at the request of the Government, does not send the bill to committee and gives it third reading today, thus enabling it to become law, then we—and I think I speak for all honourable senators—expect the Government to implement the provisions of the statute immediately. We expect that this board will be set up before January 28, that by that date it will have had some meetings, and that considerable progress will have been made.

Honourable senators, if that is not done the Government will be breaking faith with the Senate. We have gone as far as we can in order to assist the Government in getting this board established. The next step is for the Government. They will either take it or not take it. I am sure I speak for all honourable senators on both sides of the house when I say that when we come back here at the end of January we expect to find that this board has been set up, that it has held meetings and has performed some service to the Atlantic provinces.

Motion agreed to and bill read third time, and passed.

CANADIAN NATIONAL RAILWAY BILL

CONSTRUCTION OF A LINE OF RAILWAY IN NEW BRUNSWICK—THIRD READING

Hon. A. J. Brooks moved the third reading of Bill C-93, respecting the construction of a line of railway in the province of New Brunswick by Canadian National Railway Company from Nepisiguit Junction on the Bathurst subdivision of the Canadian National Railway in a southerly and westerly direction for a distance of approximately 15 miles to the property of Brunswick Mining and Smelting Corporation Limited.

Motion agreed to and bill read third time and passed.

NATIONAL HOUSING ACT

BILL TO AMEND—THIRD READING

Hon. Lionel Choquette moved the third reading of Bill C-102, to amend the National Housing Act.

Motion agreed to and bill read third time and passed.

COAL PRODUCTION ASSISTANCE ACT

BILL TO AMEND—THIRD READING

Hon. John M. Macdonald moved the third reading of Bill C-64, to amend the Coal Production Assistance Act.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, is it your wish that the Senate do now adjourn during pleasure, to reassemble at approximately 8 o'clock this evening?

Hon. Mr. Brooks: Honourable senators, I have received word from the other place that Bill C-101, an act to amend the Federal-Provincial Fiscal Arrangements Act and the Federal Provincial Tax-Sharing Arrangements Act, has received third reading by that house. That being the case, I wonder if we should not continue in session.

Hon. Mr. Hugessen: Perhaps the house could rise for an hour or an hour and a half, during which time we could peruse copies of the bill if they are available, and also learn

what progress has been made in the other house on other matters.

Hon. Mr. Brooks: That is an excellent suggestion, to which I readily agree.

Hon. Mr. Horner: We could reassemble at the call of the bell.

Hon. Mr. Choquette: Some time later this afternoon.

Hon. Mr. Brooks: Yes.

The Senate adjourned during pleasure.

At 4.20 p.m. the sitting was resumed.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT AND FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-101, to amend the Federal-Provincial Fiscal Arrangements Act and the Federal-Provincial Tax-Sharing Arrangements Act.

Bill read first time.

SECOND READING

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

Hon. Jacques Flynn, with leave of the Senate, moved the second reading of the bill.

(Translation):

He said: Honourable senators, since it is the first time that I speak in this house, you will no doubt allow me to say how grateful I am for the warm and cordial welcome you extended to me. May I also tell you that, although I made a brief stay in the other place, I am considering, in the normal course of events, a longer stay here.

Since I have had the privilege of sitting here, I have tried to understand and to discover the so-called difference in climate and perspective between the two places. I think I am beginning to understand them, but I note, in particular—at least some debates have led me to believe it—that there is not so much difference in the tone of the discussions.

(Text):

May I say, Mr. Speaker, that I share everything that has been said in complimenting you on your appointment to your high office and on the manner in which you discharge your duties. I also join with other honourable senators who paid well-deserved compliments to the Honourable Leader of the Government (Hon. Mr. Brooks), the deputy leader (Hon. Mr. Choquette), the former leader (Hon. Mr. Aseltine), and the Leader of the Opposition (Hon. Mr. Macdonald, Brantford).

This afternoon I rise to sponsor Bill C-101, an act to amend the Federal-Provincial Fiscal Arrangements Act and the Federal-Provincial Tax-Sharing Arrangements Act.

The purpose of this bill is very simple, I would say. On the one hand it provides for an increase from $1.50 to $2 in the per capita grants to be paid to the Canadian Universities Foundation.

As you know, these payments were started in 1952. In 1960, in order to settle a problem relating to the attitude of the province of Quebec towards federal grants to universities, an arrangement was arrived at with the government of that province which enabled it, through an additional deduction of 1 per cent on corporation income tax, to recoup the equivalent of the subsidies paid to the Foundation to be remitted to the universities of the other provinces.

This act, adopted in 1960, was applicable until April 1 of this year. This year a new arrangement along the same lines was arrived at with the government of the province of Quebec. So, another purpose of this bill is to ratify that arrangement and to permit the province of Quebec to continue collecting an additional 1 per cent in corporation income tax and spend it under their present scheme of subsidies to universities. The bill merely takes this agreement into account.

As you know, there is a proviso in this bill to the effect that if the 1 per cent of corporation tax collected by the province, or any prescribed province—because it is available to any province and in principle does not apply only to Quebec, although in practice it does—should be higher or lower than the amount represented by the multiplication of the population by $2, then there is an adjustment both ways by the federal Government.

Honourable senators, I do not think I could serve any useful purpose by adding anything, since the principle of this bill was discussed thoroughly in 1960 in the other place and here. The bill merely continues the present system, one which, under the circumstances, I would say has been a reasonable compromise.

Hon. A. K. Hugessen: Honourable senators, I think this is the first opportunity I have had personally to express a warm welcome to my honourable colleague (Hon. Mr. Flynn) upon his appointment to this chamber. I was particularly glad when the news of his appointment reached us a few weeks ago, for I had the advantage and pleasure of being a member of the Canadian delegation to the Commonwealth Parliamentary

Conference held in London in September of 1961, at which time our honourable friend, who was then a minister of the Crown, was the leader of our delegation. I can assure my honourable friends that our colleague was a very good conscientious leader of the delegation, and I observed no tendency of any kind on his part of repair to the London equivalent of the Place Pigalle.

As the honourable senator has explained, this is merely a follow-up bill to the legislation which we examined and approved in this house two years ago relating to subsidies to universities in the province of Quebec and the arrangement that was made at that time between the federal Government and the government of Quebec as to the manner in which those subsidies should be indirectly voted by this Parliament.

I think we were all very much in favour of the principle of making these grants, and in effect the only change which this legislation brings about is to increase the subsidy from $1.50 to $2 per capita. I think that is substantially what my honourable friend said in his remarks a few moments ago.

Knowing as we do the enormous needs of our universities, both in the province of Quebec and in the rest of Canada, and knowing how much we will in the future depend upon an adequate supply of well-trained men and women flowing from these universities into every area of Canadian life, I think we must all be happy that it has been possible to increase the amounts of the grants as provided for in this bill.

Hon. Donald Cameron: Honourable senators, first of all I should like to say that this bill will apply to the year ending March 31 next, and no change is likely to be made in it. I am sure that the universities, which are having an increasingly difficult time financially, will welcome this increase of 50 cents per capita. I hope that in making plans for the next fiscal year, which will commence on April 1 next, and for each of the succeeding six fiscal years following that, we can add a further 50 cents per year to the grant, so that at the end of that time the contribution will be $5 per capita.

I am aware it is customary to ask where the money is to come from and to say that the cost of education is getting out of line. I do not accept that. Therefore, I would like to make a suggestion as to where the money might come from.

The Technical and Vocational Training Assistance Act, which was passed, I think, in November or December, 1960 will, I believe, by the end of this fiscal year have cost something in the neighbourhood of $465 million, or it will have cost that by the time the legislation terminates, unless, of course, it is extended, as was done in the case of the legislation dealing with loans to municipalities for sewers, and so on. I suggest that when the Technical and Vocational Training Asssitance Act expires, if it is permitted to do so, that in the interests of higher education and extending employment in Canada, we consider expending on capital grants to universities over a period of three years an amount equivalent to that now being expended under the Technical and Vocational Training Assistance Act. I can think of no better use to which the money can be put as far as the needs of higher education are concerned. I would also suggest that the expenditure of such a capital sum could play a very vital role in the increasingly difficult task of providing employment for the large numbers of young Canadians coming onto the labour market year by year.

I make this suggestion as something which should be kept in mind and as something about which I shall be glad to say more on a more suitable occasion.

Hon. Jean-François Pouliot: Honourable senators, if I am permitted I should like to say a word about this bill. I do not complain about the bill, nor do I object to it, but I remember that when Premier Taschereau desired to give $10,000 to each one of the classical colleges of the province of Quebec, the Quebec Seminary, which founded Laval University in the 1850's, decided not to accept that grant from the Government because they did not want any interference from the state in the management of their institution. It was the only college which did that at the time. That action showed the spirit of those priests who had made a great sacrifice in founding the first Canadian university to get a charter from Queen Victoria, a long time ago.

I hope I may be permitted to mention something else. As soon as there were federal Government grants made to universities these institutions became more extravagant than ever. You can go to Quebec City, Montreal, Toronto, Winnipeg, Saskatoon, Vancouver—you can go anywhere—and see huge campuses with splendid buildings which certainly do not remind us of the barrel in which Diogenes lived and the cave in which Socrates philosophized. It may be said that these are modern times, that ways are different, and that students need lavish quarters comparable to those of the American Air Force at Colorado Springs.

There is something else I wish to say. In the first place there were no subsidies of any kind from governments to universities; in the second place, there were provincial subsidies to universities; and, in the third place,

there were provincial and federal subsidies to universities which had lived before on grants made possible by the generosity of people of means. The universities received personal grants from people who were able to make them and who wanted to encourage education in this country. It was very praiseworthy of them, and nobody can do anything but admire those public benefactors who did their best to improve the teaching facilities.

It is my very great pleasure to congratulate the sponsor of this bill (Hon. Mr. Flynn). He belongs to a distinguished family. His grandfather was my professor of Roman law. He was the Honourable Edmund James Flynn, who was the prime minister of the province of Quebec for a time, and later a judge of King's Bench in Quebec City. He was a delightful old gentleman, and his lectures were the best I had while I was a student. He explained to us that they were like a chain, and that one should not miss a link—one of the lectures—for otherwise the chain would be broken.

He told us, and I think he was right, that Roman law was the basis of the law of all civilized countries. That is true, and I have come to the conclusion that with a good foundation of knowledge of philosophy—and when I speak of philosophy I speak of logic and dialectics, not of metaphysics—and of Roman law, a lawyer can find his way of being most useful to his clients, to the Bar and to the Bench.

In spite of all the grants, there were many difficulties. Something happened that previously had been unheard of. There was a strike of the civil law students at Laval University, who complained bitterly about the Dean of the Law Faculty, and they forced his resignation.

Finally the day came when there was nobody to give lectures. One of the complaints of the students was that they had had no lectures on constitutional law for over a whole year. The professor was away and gave his notes to a lady whose hats were admired by the students. She told them bluntly not to ask her questions, that she knew nothing about it; and she read the lecture of the gentleman who was making heaps of money as an advisor to the provincial government.

Hon. Mr. Drouin: Was she talking through her hat?

Hon. Mr. Pouliot: All this was published in the press. I am not speaking of anything new. It was published in many Quebec and Montreal daily newspapers.

Honourable senators, there are professors, of course, who are worthy of their noble functions to teach and to form the legal mind of youth—and I have not to go far to see some of them—but all professors are not alike in that.

This payment which is to be made to the universities, an increase from $1.50 to $2 per capita, is a blank cheque. The universities will come for the money, but will refuse to give any information about how that money is used. They come here, in spite of the Constitution which provides that education is strictly a provincial matter.

Honourable senators, I remember also that the only thing which was suggested to me by the Honourable Mr. St. Laurent, when I was in the House of Commons, was to speak on the motion of a friend of mine who belonged to the C.C.F. party, who wanted to have federal subsidies for high schools because he considered that education is a provincial matter.

It is strange that the university authorities overlook the Constitution when they come here to ask for money; but if someone from either house asked for an accounting of that expenditure, the university authorities would say that according to the Constitution it is a provincial matter and that we have no right to ask for any information as to how the money was spent.

The matter has never been put before the Canadian people, but when they are assessed they want to know what was done with the revenue from taxation.

I do not blame the Government regarding this legislation. I will approve this, and I will follow the example of my learned colleagues. I do not wish to prevent any student from obtaining the education for which he or his parents are making sacrifices. At the same time, we should know what is done with the money.

It will be said that a senator wanted to know what was done with the money; and then the question will be asked: "Do you not trust us? Do you not rely on us for the proper expenditure of the money?" Well, when the students strike to get rid of the dean of the faculty, there is something wrong in the realm of Denmark. I know very well that if one of the cabinet ministers, or even the Prime Minister, were to write a circular letter to the universities to ask them what they were doing with the federal subsidy, there would be an outcry. They would say, "Give us your money, but mind your own business." That is that.

I know that I do not offend the sponsor of the bill (Hon. Mr. Flynn) by speaking in this way, because I am sure he is familiar with all the facts I have mentioned. It does not affect him, because he is one of the leading members of the learned profession in the city of Quebec. He got experience in the House of Commons and the Privy Council,

and he is now a member of the Senate. He belongs to a family which has made its mark in the law. Not only did I know his grandfather, but also his father, a brilliant lawyer, who was one of my contemporaries and a good friend of mine. We went to hockey games together, and I cherish a pleasant recollection of him.

What I have said to you, my honourable colleagues, I have said earnestly, in order that the matter may be brought before the public and there will be an improvement in the kind of teaching that is given to the students, especially in civil law. I shall have other occasions to elaborate on the matter. However, I wish to point out that it is a most important subject for the future of all those who are engaged in a legal career. I say that also with regard to the teaching of medicine, civil engineering and other professions.

I do not believe in social science or in economics. Those are simili sciences; they are not real sciences, like mathematics, medicine, civil engineering, chemistry, physics, and others. It is a kind of simili science that has a bad effect on the minds of youth—as they think themselves ready to rule the world as soon as they get a degree.

I hope that there will be a way, a diplomatic way, for the Government to know more about the expenditure of money by the universities, and that sooner or later the public will be informed of the use that is made of that money by the universities. That will be for the good of the future generations.

Motion agreed to and bill read second time.

THIRD READING

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

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

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Mr. Brooks: Honourable senators, this completes the business that we have presently before us. There are two items which we expect will be here after the dinner hour. As you know, one is the Interim Supply bill which, I believe, is being discussed in the other house at the present time. There is also the Canadian World Exhibition Corporation Bill, C-103, and Bill C-91, to amend the Freight Rates Reduction Act. These three items of business will probably be before us this evening.

I may say that the hour set for royal assent is 9.45 but this is subject to change to accommodate the time required for the business of the Senate.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

Ottawa

20th December 1962

Sir,

I have the honour to inform you that the Hon. Patrick Kerwin, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor-General, will proceed to the Senate Chamber today, the 20th December, at 9.45 p.m., for the purpose of giving Royal Assent to certain bills.

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

The Honourable
The Speaker of the Senate.

DOCUMENT TABLED

Leave having been given to revert to the order for presentation of petitions:

Hon. A. J. Brooks tabled:

Report of the Committee of Inquiry into the Unemployment Insurance Act, dated November 1962, (Ernest C. Gill, Esquire, Chairman) (English and French texts).

APPROPRIATION BILL NO. 8, 1962

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-105, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31 March, 1963.

Bill read first time.

SECOND READING

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

Hon. A. J. Brooks, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this bill, C-105, has been before the other place for some time. Before discussing it here on second reading, might I take this opportunity to thank all honourable senators who are in attendance, for the splendid co-operation they have given in connection with the work of the Senate during the last few days. I know how difficult it is when we do not know which bills are coming up, and I know there are honourable senators who have had to change their travel reservations on plane or train. I personally wish to thank you and express my appreciation for your co-operation.

With reference to this bill on interim supply, it is the sixth one we have had since these estimates were introduced in April of this year, and I am sure that all honourable senators are at this time very familiar with the estimates.

The present bill requests interim supply to provide for the financial requirements of the Government to January 31, 1963. The extra month's supply will represent a vote of ten-twelfths of most estimate items.

Excepted from the general request is a number of votes which have already received eleven-twelfths' supply in previous appropriation acts. Extra supply was provided previously in respect of these items, inasmuch as the funds were required for seasonal work or for other special reasons. The excepted items are listed in clause 2(a) of the bill, a copy of which honourable senators now have before them. Funds in excess of the general request were provided in many cases because they were required for work which could not progress except during the summer months as, for example, the provisioning of bases in the far north and certain survey work that requires warm weather, work on our national parks, and other special work of that kind.

In addition to the ten-twelfths requested for the majority of the items, eleven-twelfths is requested for Vote 25 in the estimates of Defence Production, Vote 5 of External Affairs, and Vote 105 of the Department of Northern Affairs and National Resources. Details of these items will be found in Schedule A to the bill.

On November 27 last, I tabled supplementary estimates (A) amounting to $161,439,147, and nine-twelfths of supply of these items was provided in Appropriation Bill C-86, that is, the previous appropriation bill. In addition, two-twelfths was provided in respect of one vote in External Affairs and two votes in Transport. These items are therefore excepted from the request for further supply in respect of supplementary estimates (A).

On Wednesday, December 12, I tabled supplementary estimates (B) for the fiscal year ending March 31, 1963. Ten-twelfths of all the items in those estimates is also requested by the bill now before us. Passage of this bill will mean that practically the same proportion of supply will have been released in regard to supplementary estimates (A) and (B) as to the general revised estimates.

The total amount to be released in respect of the revised estimates for which one-twelfth of all items is requested is $292,175,958. The additional one-twelfth of the items referred to in section 2(b) of the bill amounts to $1,842,041.67.

The one-twelfth requested in respect of supplementary estimates (A) 1962-63, as set forth in clause 2 (c), is $8,738,178.92, and ten-twelfths of the items listed in supplementary estimates (B) is $27,333,333.34. The total then that would be released by this bill is $330,089,511.93.

In no instance is the total amount of any item in either the general estimates or supplementary estimates (A) or (B) being released by this bill. The passage of this bill will not prejudice the rights and privileges of honourable senators to criticize any item in the estimates or supplementaries when the main Supply Bill comes forward. 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 the result of the passing of this measure.

With leave, I propose to place on *Hansard* a summary of the estimates, including budgetary expenditures and loans for the fiscal year 1962-63, indicating the amount already released for supply and to be released by this bill. Do I have leave to place this summary on record now?

Hon. Senators: Agreed.

ESTIMATES 1962-1963
(Including Budgetary Expenditures and Loans)
of which:

	Total	Statutory	To be Voted
Revised Estimates	$ 6,169,776,260	2,398,442,339	3,771,335,921
Supplementary Estimates (A)	161,439,147	—	161,439,147
Supplementary Estimates (B)	32,800,000	—	32,800,000
	$ 6,364,017,407	2,398,442,339	3,965,575,068
Payments from the Old Age Security Fund	$ 623,650,000	623,650,000	—

SUPPLY 1962-1963

Appropriation Act No. 3, 1962:	
Two-twelfths generally of the Main Estimates plus additional proportions of 10 special items to provide for expenditures during April and May	674,658,525.84
Appropriation Act No. 5, 1962:	
Five-twelfths generally of the Main Estimates and additional proportions of 79 special items to provide for expenditures from June 1 to October 31	1,704,710,347.93
Appropriation Act No. 6, 1962:	
The difference between eight-twelfths generally of the Revised Estimates plus additional proportions of 68 special items in those Estimates and the supply already granted (which was based on the original Main Estimates)—for November	231,819,569.82
Appropriation Act No. 7, 1962:	
One-twelfth generally of the Revised Estimates and nine-twelfths generally of the Supplementary Estimates (A) plus additional proportions of 31 special items to provide for expenditures during December	449,473,276.60
THIS BILL (Appropriation Act No. 8):	
One-twelfth generally of and additional proportions of three special items in the Revised Estimates, one-twelfth generally of the Supplementary Estimates (A) and ten-twelfths generally of the Supplementary Estimates (B) to provide for expenditures during January	330,089,511.93
Total amount released (including this Bill)	$ 3,390,751,232.12
Balance to be granted	574,823,835.88
Amount to be voted	$ 3,965,575,068.00

Hon. Mr. Brooks: The total amount released including this bill is $3,390,751,232.12. This leaves a balance to be granted of $574,823,-835.88. The total to be voted for the fiscal year is $3,965,575,068.

The bill also provides for an increase in borrowing authority. Honourable senators will recall that under Appropriation Acts Nos. 3, 5 and 6 we have already provided borrowing authority for $2 billion. The present bill will increase the limit by $500 million.

Since the budget there have been important changes in our international financial position, and in the requirements of our Exchange Fund which, as the Minister of Finance emphasized last April, were "unpredictable". The Prime Minister announced on June 24 that the Government, in order to sustain and protect the value of our dollar, was entering into certain short-term borrowing transactions and stand-by arrangements. These included a drawing of $300

million (U.S.) from the International Monetary Fund.

As a supplement to the exchange reserves the Government arranged a bond issue of $250 million in the United States, half of the proceeds of which were received on October 15, and the remaining half will be received in January 1963.

In addition, whereas the treasury, from April 1 to June 24, 1962, acquired over $600 million in cash from the sale of exchange reserves, it drew down from June 24 to November 30, $936 million in cash to acquire exchange reserves. This has involved net requirements of over $300 million which could not have been foreseen last April. The cash used in this way is invested by the Exchange Fund in earning assets abroad.

Since the present borrowing authority is insufficient to meet the normal requirements, together with the advances required earlier this year in connection with the Exchange Fund, an additional authority is now required. This would have the effect of raising the total borrowing authority to $2.5 billion.

This, honourable senators, is a general summary of the bill.

Hon. A. K. Hugessen: Honourable senators, I do not think there is any necessity for me to follow the Leader of the Government (Hon. Mr. Brooks) in the details that he has given of the bill now before us. We are asked, in effect, to vote a sum of over $330 million on account of the total of the revised estimates which were tabled last September.

I must say that so far as this house is concerned I do not think it is a satisfactory way of discharging our duties as guardians of the public purse to merely discuss the estimates from time to time on supplementary measures of this kind. The House of Commons, of course, has the advantage that it goes over the estimates item by item, and in that way gets complete knowledge of the way it is proposed to spend the public moneys of the country. We have no such opportunity. Our only chance of examining these matters, under our present procedure, is to discuss items upon interim supply bills, and then again at the very end of the session for a few hours when there is always a great rush to pass legislation.

I suggest to my honourable friend, the Leader of the Government, that it might be well for us to revert to the practice which existed some years ago when the honourable Senator Crerar was chairman of the Standing Committee on Finance. In those days the practice of this house was to refer the estimates for the year to that committee so that it could make such inquiries as it felt necessary with respect to any particular items, and, indeed, call for witnesses from any particular department in cases where it thought investigation might be required. I think if we did that now we should be fulfilling our functions more adequately as one of the branches of this Parliament, in seeing that expenditures are not made without our having acquainted ourselves at least in some respects with what is proposed to be spent.

I make that suggestion to my honourable friend in all good faith, because I think that during the years when the Finance Committee did perform its functions, it performed a valuable service and we in this house felt we were taking a better and more active part in the administration of the financial affairs of the country.

As the honourable Leader of the Government said, these interim supply bills give us an opportunity for discussing any particular item in the estimates which any honourable senator feels should be brought to the attention of the house. I propose to discuss for a few minutes this evening one series of items, those relating to the estimates of the National Capital Commission.

As honourable senators know, the National Capital Commission is the body charged with the maintenance and beautification of our capital city and its environs. It has been charged by this Government with the work of planning the relocation of the railway facilities in the city. The particular matter to which I wish to address a few remarks arises out of a short item which appeared in the Ottawa *Citizen* on Tuesday last, which I now read.

> Construction work in 1963 on the National Capital Commission $20 million railway relocation program will be concentrated on "fundamental phases" in Centre Town and the new $5 million Union Station near Hurdman's Bridge.

From this I gather that it is proposed in this coming year to spend $5 million on a new union passenger station near Hurdman's Bridge.

Hon. Mr. McCutcheon: Does my honourable friend consider that the Ottawa *Citizen* is a spokesman for the Government?

Hon. Mr. Hugessen: A spokesman for the Government?

Hon. Mr. McCutcheon: Yes. My friend is reading from the *Citizen*.

Hon. Mr. Hugessen: Well, is it incorrect? I gather that it was merely a news item of what the Government was proposing to do. Does my friend say it is not correct? If so, I shall be very happy. I take it as an item of news and as being in fact what is about to be done —and I think I shall be able to show that to my honourable friend before I am through.

I have a map of the City of Ottawa in my office and I made a scale calculation of the distance of this proposed new passenger station near Hurdman's Bridge from the present Union Station. I find it is a distance of a little over two miles. Therefore, this new station will in effect be on the outskirts of the city, as against the present station which is right in the heart of Ottawa. It is proposed to close the existing convenient, though admittedly obsolete, station on Rideau Street which, as I say, is in the heart of the city, and to transfer all passenger services on both railways to the proposed station two miles from the centre of the city. Now, I am frank to tell my honourable friends that I think this is a disastrous mistake.

Hon. Mr. Brooks: May I ask the honourable senator a question? When were these plans first drawn up regarding the changing of location? If I recall correctly, it was some years ago. You are speaking of the Greber plan, of course, which evolved under the former Government.

Hon. Mr. Hugessen: I will tell my honourable friend that this plan originated as part of the overall Greber plan.

Hon. Mr. Brooks: And it had the general approval—

Hon. Mr. Hugessen: It had the general approval of the Ottawa area, about which I shall say a word or two in a few moments. But the decision to proceed with this part of the plan, the building of this station two miles away, was an action taken by this Government in October 1959. I do not know whether many here have read the evidence given by Mr. Donald Gordon.

Hon. Mr. Brooks: May I ask another question? Was the action not taken after plans had been drawn up and approved some few years earlier? If my memory serves me aright, that was the situation.

Hon. Mr. Hugessen: That is not the evidence I have. I am going to read to the house the evidence that was given by Mr. Donald Gordon before the sessional committee on Railways, Air Lines and Shipping in the other place on Tuesday, November 20 of this year, at pages 118 and 119. Mr. Donald Gordon was being questioned by Mr. Chevrier, and he was asked this question:

> If we are still on the question of the system, that brings in railway stations. What is the position of the Ottawa Union Station? A great deal of comment has been made in connection with it in the press and elsewhere, and I think the committee would be interested to know what the present position is and what the plans of the Canadian National Railways are, if there are any, and anything else you would like to tell us.

To which Mr. Gordon answered as follows:

> Well, there is a lot of background to this. I do not know if there is much use going into it, but the fact of the matter is that the Government decided the Union Station should be relocated in the Hurdman's Bridge area and that was being done through the then Federal District Commission, which is now known as the National Capital Commission. The station is being built out there with the indication that the Union Station would be completely vacated and turned over to the National Capital Commission.

And a little further down the page:

> Mr. CHEVRIER: This decision was made by the National Capital Commission?
>
> Mr. GORDON: No, it was made by the Government. According to my understanding an announcement was made in a press release from the office of the Prime Minister on October 31, 1959. The gist of it was the recommendation of the National Capital Commission for the relocation of the passenger terminal in the vicinity of Hurdman's Bridge has been approved and that the Government had asked the National Capital Commission to enter into discussions with both railways so as to complete the planning.

So I say, as far as I can tell from this evidence, that is a decision of this Government.

Hon. Mr. Brooks: Based on former plans. I am interrupting the honourable senator again, but I can recall that some years before this Government came into power those plans had been drawn up and it was decided to work out a plan.

Hon. Mr. Hugessen: A great many plans were drawn up, and from time to time parts of them were brought into effect; but this Government is responsible for this particular part of the plan. So far as I know, Parliament has never been consulted about the location of the station.

Hon. Mr. McCutcheon: Is the honourable senator critical of the decision?

Hon. Mr. Hugessen: Of course I am critical of the decision.

Hon. Mr. McCutcheon: Would he like to have the station left where it is?

Hon. Mr. Drouin: Close to the Parliament Buildings.

Hon. Mr. Hugessen: Perhaps my honourable friend will possess his soul in patience until I have finished my remarks.

Hon. Mr. McCutcheon: I am very patient.

Hon. Mr. Hugessen: As far as I am aware, Parliament itself has never been asked to give any decision as to where it wishes this station to be located, although members of Parliament are keenly interested in the question. The function of Parliament so far has been confined to voting large sums in the annual estimates for the National Capital Commission without any precise indication of how those moneys are to be spent.

There was another point which was quite evident from Mr. Gordon's evidence before the committee of the other place, evident more perhaps by implication than by positive statement. It was that the railway companies were opposed to this suggestion, and I think if honourable senators will give their minds to the matter for a few minutes they will readily understand why.

The new station on the outskirts of the city will not be nearly so convenient for passengers. In other words the railways, by reason of this location of the new station in this far-away area, will be deprived in effect of the only advantage they now enjoy over the airlines of being able, as they now are, to bring their passengers into the centre of the city. The railways will lose the advantage of being on a par with the intercity bus lines which will be able to continue to bring passengers into the heart of the city.

I suggest that this will have a disastrous effect upon the rail passenger traffic, arriving at and leaving Ottawa. Of course, the Canadian National Railways is particularly concerned because of the close connection between the present Union Station and the Chateau Laurier, which makes it extremely convenient for passengers travelling by rail to get to the hotel just across the street.

I do not know that I need go into any detail about the advantages of the Union Station in its present location. For businessmen coming to Ottawa and wishing to visit some department of Government or the Parliament buildings, the present station is within a few minutes' walk. For the tourist or businessman coming into the capital, it is extremely convenient to have the hotel right next to the station. It is equally convenient for residents of Ottawa leaving or returning to the city by train to have the station right next to Rideau Street from which buses leave for all parts of the city. I do not need to emphasize the convenience it is to senators and members of Parliament and to employees of the civil service to have the station as close as it now is to the Parliament Buildings. By locating the new passenger station in this distant suburb, all these advantages are given up. In fact, as far as I can judge, the only people who will really benefit by this change will be the taxi drivers of Ottawa.

Hon. Mr. Drouin: What is the distance between the present location of the station and the proposed new location?

Hon. Mr. Hugessen: About two miles.

Hon. Mr. Drouin: Is the city growing towards the new station site?

Hon. Mr. Hugessen: There is an industrial development around that area, but I do not think there is much of a residential area.

I mentioned the Greber plan a few moments ago. I think all of us warmly approved of the majority of Mr. Greber's ideas and we are happy to see them gradually carried out year by year as time goes on.

Hon. Mr. Brooks: I think the Greber plan was the late Mackenzie King's dream.

Hon. Mr. Hugessen: The general plan everybody approves.

Hon. Mr. Choquette: In the original Greber plan was it not understood that the station had to be transferred from its present site? Surely that was agreed in the Greber plan some 15 years ago. I think Senator Lambert will bear me out in that. We did not change the plans.

Hon. Mr. Hugessen: You approved this particular plan in 1959.

Hon. Mr. Brooks: We inherited the plan.

Hon. Mr. Choquette: Yes, we inherited it.

Hon. Mr. Hugessen: As far as I have been able to find out, if Mr. St. Laurent had remained Prime Minister this part of the plan would never have been carried out.

Hon. Mr. Choquette: We are willing to accept a lot of sins.

Hon. Mr. Hugessen: Perhaps you are willing to accept a lot of sins. Perhaps you are willing to repent, and I am going to ask you to repent.

Hon. Mr. McCutcheon: No, not repent.

Hon. Mr. Hugessen: With regard to the Greber plan and the proposal to put the passenger station out in the suburbs, I am disposed to ask this question: Why should Ottawa be different from every other capital city in the world of which I, at least, have any knowledge whatsoever? Take London, for instance. Of course it is a much larger city than Ottawa, but in the centre of that city there is a series of large terminals located in a circle, and two of those stations, Charing Cross and Victoria, are within a few minutes walk of the Parliament of Westminster.

Hon. Mr. McCutcheon: No one lives at the Parliament of Westminster. Does the honourable senator think the London stations are within a few minutes' walk of Westminster, and Claridge's—and the other hotels where people live?

Hon. Mr. Hugessen: Two of them certainly are, Charing Cross and Victoria.

Hon. Mr. McCutcheon: No, they are much farther away from the centre of London than this new station will be from the centre of Ottawa.

Hon. Mr. Hugessen: Not by any manner of means.

Let me refer to Washington, which honourable senators know well. It has its Union Station right in the heart of the city, within a reasonable walking distance of the government buildings and of the House of Representatives and Senate chambers. Take Paris. It is rather like London in that it has a series of five or six large terminal stations within a circular area of fairly small dimensions; and one of those stations, if I recall correctly, the *Quai d'Orsay*, the terminus of the mainline railway to the southwest of France, is right next door to the *Chambre des Députés*.

If you visit Rome you will find that the central station is located in substantially the same relative position as is the Union Station in Washington. Rome has one large central terminal station pretty well in the heart of the city. Incidentally, this station was rebuilt by Mussolini and is within a few minutes' walk of the Quirinal and other government offices in that city.

I should like to ask why it is proposed to treat Ottawa differently from these great capital cities. I suggest that in this connection perhaps we are suffering from delusions of grandeur. I do urge this Government to get the National Capital Commission to do some re-planning, with a view to keeping the present Union Station in operation. It is quite true that the present station is antiquated, but to my mind its advantages of location enormously outweigh any disadvantages of age. We are told the parking facilities are limited—which is true—but, surely, we could improve the parking facilities at the present station at one-twentieth the $5 million proposed to be spent on the new station out near Hurdman's Bridge.

From the point of view of aesthetics I fail to see how anybody can object to the few lines of railway track which run alongside the Rideau canal for about half a mile, and the passenger coaches which normally are in storage on those tracks. In days gone by, the days of the steam locomotive, there was a good deal of shunting on those tracks, and the smoke interfered with the amenities of the surrounding population. There may have been something in that complaint, but I would point out that the steam engine is no more; it has been replaced by diesel engines, and there is no smoke nuisance involved. I am suggesting that we retain the present Union Station for the reasons I have given.

I think we must all agree that there are parts of the National Capital Commission's plans for relocation of the railway lines which, in themselves, are excellent and should be retained. I mention particularly the removal of the Interprovincial bridge, and the taking up of industrial tracks which now exist in various parts of the city. I believe that with a little goodwill the present plans could be modified, without too much trouble, to retain the present Union Station. I think all that is required on the part of the National Capital Commission is not only a little goodwill but perhaps less grandiose and more practical ideas, and a consideration for economy.

When I refer to economy in connection with the National Capital Commission I am rather encouraged to think that that body believes in economy, for a few days ago I received—no doubt in conjunction with every other honourable senator—a communication from the Gentleman Usher of the Black Rod, which begins as follows:

> The National Capital Commission is exploring all means of reducing expenditures. A saving in cost of snow removal on Parliament Hill could be effected if all-night parking of motorcars did not exist.

Then it goes on to say how helpful it would be to the National Capital Commission in saving a few thousands of dollars in snow removal cost if senators would refrain from parking their cars overnight on Parliament Hill. If the National Capital Commission is exercising itself in the matter of small economies of this kind, why should it not exercise itself on the possibility of saving $5 million on an unnecessary passenger station?

As I have said, the Government adopted this plan in 1959, and I would remind the Government that 1959 is not 1963. The first fine, careless raptures of 1958-1959, the visions we used to hear about, are gone for good. Since 1959 we have had three annual budgets with enormous deficits, and the fourth annual budget with an equally enormous deficit is in prospect.

This past autumn, as a result of the exchange and financial crisis last spring, the Government tabled revised estimates cutting out many millions of dollars of unnecessary expenditure. I suggest to them that they can

save another $5 million by cutting out this wasteful expenditure on an unwanted station. I suggest that at least they should consult Parliament before they engage upon this expenditure.

I am going to end my remarks, and summarize what I have said, by a question which I address to the Government, and particularly to the Minister without Portfolio (Hon. Mr. McCutcheon): Do you still propose to inflict upon the people of Ottawa, and the country as a whole, an expensive, inconvenient, and unnecessary passenger station out in the sticks?

Hon. M. Wallace McCutcheon: Honourable senators, I have been asked a question which, of course, I should not answer. It is a question in the same category as, "Have you stopped beating your wife?".

I disagree with all the adjectives with which the honourable senator (Hon. Mr. Hugessen) prefaced his question. He knows, and I know, that this is part of a whole plan to make the city of Ottawa a viable city in its centre.

All I say is: "Yes".

Hon. Mr. Higgins: I suppose what the minister means is that it is good to build the railway, but it is not an inexpensive or an inopportune one. Is that what he means? The honourable senator asked a double-barrelled question.

Hon. Mr. Hugessen: I will leave the minister to answer that question for himself.

Hon. Donald Cameron: Honourable senators, may I refer the honourable Leader of the Government (Hon. Mr. Brooks) to schedule A, item 105, and the amount of $4,251,900 under the heading: "Northern Affairs and National Resources" for the Yukon Territory?

I am wondering whether this amount includes the financing of the buildings that were erected for what might be called the Igloo Festival in Dawson City. If that is the case, then I think at a time like this when money is scarce—and if the newspaper report I read the other day is correct that the federal Government's contribution to the Dawson City Festival was some $653,000, plus approximately $60,000 voted to the Government of the Yukon Territory, making in all a contribution of over $700,000 in this fiscal year —this is a rather substantial amount of money to be appropriated for this festival, part of which amount was used to renovate or refurbish what was really the Place Pigalle of Dawson City, or, in other words, to make a tourist attraction out of the rendezvous of that famous lady known as Lou, and which could not be expected to effectively compete with equally famous and much closer tourist attractions in this and other countries.

I am wholeheartedly in favour of developing the north country, which I think has great potentialities, but I have a rather uneasy feeling, based upon newspaper reports, that the outcome of this Dawson City Festival, or Igloo Festival, left much to be desired. I have a sneaking suspicion that some of the enthusiasm of our officials in the north country has run away with their judgment.

I wonder if we could have an explanation of this item.

Hon. Mr. Brooks: Honourable senators, I do not have the particulars of this item here, but I understand it is for a number of buildings, among which is the building mentioned by the honourable senator, but that is only a small part of the item.

I know there has been considerable criticism—we have read it in the press—of this particular building that has been such a great tourist attraction. I also understand that much use of the highway to the Yukon has been made by tourist traffic going to Dawson City, and that the whole matter is looked upon by those familiar with the tourist situation in the north in not at all the same light as my honourable friend or the press looks at it. So far as this particular building is concerned, it could very well be an asset.

Hon. Mr. Cameron: Will we have an opportunity at a later date of obtaining the details?

Hon. Mr. Brooks: Yes. I will tell the honourable senator that I will obtain for him full information on the item, but I do not have the particulars of it at the moment.

Hon. Jean-François Pouliot: Honourable senators, I saw in the press today an advertisement which shocked me. It was for a TV production which commenced at 8 o'clock tonight, too late to enable me to draw what was to happen to the attention of the Government, but good warning should be given to the C.B.C. for the future.

My honourable colleagues know that civic funerals have taken place in Montreal for two constables who were killed in a $125,000 bank holdup. The population was grieved about those murders of men who were doing their duty. The advertisement which I have seen today reads:

> Famous star: Lillian Gish, a figure from the golden silent days of motion pictures, makes an infrequent television appearance as guest star on The Defenders tonight at 8 p.m. on the CBC-TV network. As Louise Clarendon, she portrays a sweet little old lady who tries to rob a bank in Grandma TNT. It also will be seen on Saturday, Dec. 22, at 8.30 p.m. on WCAX-TV, Channel 3.

I find it pitiful and shameful, and I presume honourable senators agree with me, that when men are killed on duty while trying to protect human life, things like this should be shown over television and that these notices should be published in all newspapers. The daily papers should be blamed for publishing such advertisements.

I hope that the Government will stop C.B.C. from giving such scandalous performances. Listen to this: "A sweet little old lady who tries to rob a bank in Grandma TNT." It is absurd.

I wonder if the Leader of the Government (Hon. Mr. Brooks) will bring this to the attention of whom it may concern, so that such performances may be stopped. There are horror programs at night sometimes, dealing with murders and robberies.

Hon. Mr. Choquette: Violence.

Hon. Mr. Pouliot: Yes, and it is shown for everyone, young and old, and that is the educational part of the program. I regret to have to mention this, but I think it is necessary to do so. The press is to blame as much as those who drafted the advertisement. It may pay them, but the price that the people pay for that is very high. It is time to stop it.

I am sending this clipping to the Leader of the Government, and I know that he can make good use of it.

Hon. Mr. Brooks: I have already seen it and I felt very much as the honourable senator does.

Hon. Mr. Pouliot: This is like a family council, where we discuss matters which affect Canadian families. It is in their interest that I am rising tonight, to stop such shameful publicity.

Honourable senators, there are two other matters to which I should like to refer very briefly. One is the C.N.R. committee to study the promotion of French Canadians. The most sensible thing which has been said about the whole matter was in an editorial written in *L'Action* by Mr. Lorenzo Paré, a former president of the Press Gallery in Ottawa, who said that all the facts were known about the relations between races, and the only thing to do was to take action.

It is not complicated to make an investigation, but those who should not make it are precisely those who could be associated with the Canadian National Railways, because they would try to justify themselves. If a civil servant suffers an injustice and it is reported to the Civil Service Commission, then an investigator goes to inquire from the same chief of branch who is responsible for the injustice suffered by the civil servant. He is the judge and jury in his own case; and that is the way it goes.

How can you expect Mr. Donald Gordon and his associates or confederates to give any justice to English-speaking or French-speaking Canadians, when it is their own practice which is to blame? Do you expect them to redress the wrong? They could use a white brush to whitewash the black, and a black brush to blacken the white. That is the practice. Can one expect anything from them?

The only way to find the truth in the matter is to consult the C.N.R. telephone directories of Montreal, Moncton, Toronto, Winnipeg and Vancouver. You have only to count those who have a telephone and you will find that the names of French-speaking Canadians are very few in number.

When Mr. Donald Gordon said there were so many French-speaking Canadians employed by the railway, he meant everybody, including day labourers in minor positions. Each counts for one, and that is very probably the way he made his computation of figures. There is no truth in that calculation. It is all a fake. It is not necessary to be an economist or a statistician with a degree or a diploma to know that. Each man who shovels the garbage, shovels the snow, or works on the track in summer or in winter, or each day labourer, all count for one as part of those figures. That is what Mr. Gordon probably shows to give the false impression that French-speaking Canadians are well treated on the railway. It is untrue. I know it; I have been here long enough to see the injustices that people suffer. Sometimes the unions were to blame just as much as the railway. But the railway will never admit that they have made a mistake. They are like the Civil Service Commission, and like the majority of the employees of the federal Government; they never admit that anybody is wrong. That is why there is no redress, because no one admits any guilt for injustices that might exist.

There is a bill in the House of Commons, sponsored by a genial member of Parliament, to have—

Hon. Mr. Choquette: To make it a criminal offence to discriminate. Do you refer to McIntosh's bill?

Hon. Mr. Pouliot: No. It is a bill to appoint a gentleman to listen to the grievances of the employees who suffer injustices of some kind. It is sponsored by Mr. Smith, the member for Calgary South. The intention is good. In the House of Commons there is no Civil Service Committee, as we have here, although the one we have here never sits. But there should be a standing Civil Service Committee in the House of Commons to listen to the grievances of civil servants. It was proposed unanimously by the Civil Service Committee in 1938, and again in 1939—I see

my honourable friend the Leader of the Government nodding. He was one of us who recommended the appointment of such a committee. Why? To give to civil servants the opportunity to come and state their grievances under the protection of Parliament so that they would suffer no comeback from their chiefs of branches. But it was so full of sense and so practical that it was never adopted.

Now a member comes with the same idea, which is presented in another form but is nevertheless praiseworthy. I believe that for the protection of civil servants Parliament should assume such responsibility and give everyone a chance to be heard. They could come before the committee just as well as the subjects go before the Throne, to lay their grievances and from which there would be no retaliation of any kind from the chiefs of branches. That was recommended by the committee. It came from the late Alphonse Fournier, who was at one time Minister of Public Works and later a judge of the Exchequer Court.

Hon. Mr. Brooks: As I recall, the honourable senator was himself chairman of that committee, was he not?

Hon. Mr. Pouliot: Yes, I was chairman of the committee during the session of 1938, and when Mr. King refused to sanction our recommendations I continued to sit as a member of the committee but I was not interested to act as chairman. I sat on the committee during both sessions, and the same committee adopted the same recommendations one session after the other; and, although the members of that committee did not belong to the same political party, I was proud of my colleagues and we did our best to improve conditions for the civil service. Those were the only times when the civil servants were considered with regard to their usefulness to the state. As a rule the purpose of other civil service committees was to increase salaries, to look after promotions, and so forth. But that time we tried to learn what was done by the civil servants and the usefulness of each one to the state. We discovered many other things, one being that a comely girl could do nothing and be well paid, while a homely one had to work hard at a much lesser salary. But these are things which are very human. However, we found out the usefulness of good looks in certain branches of the civil service.

And now my conclusion with regard to Mr. Gordon is that he should not be left alone to make that investigation, because there will be too many dampers around him to prevent the truth from shining brilliantly enough so that we can see what has happened in the dark. Besides that, with regard to his qualifications, I know thousands of Canadians who are as well qualified as he was when he came to the Bank of Canada, and especially when he came to the Canadian National Railways as its president. He is not a bad fellow but he thinks that he is God himself. Naturally that is a little exaggeration, but you will remember, Sir, and honourable colleagues, there was a member of the Senate, and before that the same member of the House of Commons, who said many a time it was really a mistake to appoint Mr. Gordon chairman of the board and president of the Canadian National Railways. I repeated that when the Liberals were in power and again when the Conservatives were in power, and to my amazement on the last occasion Mr. Gordon was again appointed president and chairman of the board, just as he was before, as the one and only person who could run the show.

Honourable senators, I have the satisfaction at least of being on record as having said it; whether it was done or not, is immaterial. I said what I thought should be said and it is on the record to stay.

I want to warn the Government about another matter. In my political career I have often raised my arms to warn all governments to be careful about the road we are following, because it could be a dangerous road leading to a precipice or an abyss. I raised my hands, and sometimes they found it very unpleasant because they were so sure they knew their way.

There is another matter which has been revived by the Social Crediters in the House of Commons. They have spoken about a translation of the Beauchesne book. I thought that it was a boutade—a joke—on the part of the Social Crediters, but it was taken seriously by the Government. Some day I will ask some questions, and my honourable colleagues will know more about Beauchesne.

Honourable senators, I have in my hand a Canadian flag. It is very simple. I showed it in the Senate one day, when there was not much doing, and Mr. Speaker at the time was very helpful. He gave me the opportunity of showing the flag that I fly over my home at Rivière-du-Loup. It is a nylon flag, twelve feet long and six feet wide. This small replica gives an idea of what the bigger flag looks like. It is very simple. It is more than a flag; it is the idea of what a flag should be. A flag should be simple, with only one emblem on it, so as to be easily seen from a distance.

Hon. Mr. Drouin: It looks like a communist flag.

Hon. Mr. Pouliot: The background is red, the colour of the Senate, and the maple leaf

is green, the colour of the House of Commons. Really, the colours are immaterial because the idea is to have the emblem, the maple leaf, of any colour on any suitable background. It may be blue on white, or gold on red, or gold on white, or any other colour combination. When I went to Toronto and appeared before the Junior Board of Trade to show them the flag, the only observation I heard was that the colours should be in reverse—that it should be red on green, rather than green on red.

I mention this because I am very much concerned about the trouble that the Prime Minister will have on meeting the provincial premiers to suggest a flag. Take, for instance, Mr. Smallwood. He thinks only of lions rampant, and his imagination is full of them; if there is not a lion rampant on the flag he would create a furore. Therefore, I do not see what the Prime Minister will do with Mr. Smallwood if he invites him over there.

There are the good Nova Scotians, who have a flag dating from King James. It is a noble flag, and is the provincial flag of Nova Scotia. In Quebec we have a flag which has been chosen unanimously by Order in Council, with the consent of the Government and Opposition, and everybody knows it. It is the fleur-de-lis. As I say, Mr. Smallwood has a flag for Newfoundland full of lions rampant, and has the seal of Newfoundland which depicts a Newfoundlander kneeling before Britannia offering her a fish. I do not exaggerate. My friends from Newfoundland know that that is true, and naturally it is unworthy of a great province like theirs that one should kneel before Britannia offering her a fish.

Hon. Mr. Higgins: That seal is an old one. It has inscribed on it the motto, "*Haec tibi dona fero*"; that is, "These gifts I bear to thee." I do not presume Mr. Smallwood devised it—it is nearly 300 years old. It was old before Canada was civilized.

Hon. Mr. Pouliot: But my friend, who is perhaps one of the most learned of our colleagues, knows what I say is true. Is it true, or not?

Hon. Mr. Higgins: Do you mean that Mr. Smallwood wants that flag?

Hon. Mr. Pouliot: No. I am talking about the arms of Newfoundland. There is depicted a Newfoundlander kneeling before Britannia offering a fish.

Hon. Mr. Higgins: They are supposed to be two Indians, Beothics, the aboriginals of Newfoundland. The last of the Beothics died in 1827. They are kneeling, and are supposed to be offering gifts to Britannia. As I say, the last one died in 1827, 135 years ago.

Hon. Mr. Pouliot: Even if there is a difference of a year or a month, I wonder if it is not true that they kneel before Britannia to offer a fish?

Hon. Mr. Higgins: That is quite true.

Hon. Mr. Pouliot: What is the use of arguing when the thing is known by everybody? I thank my honourable colleague for what he has said.

Imagine the embarrassment of the Prime Minister when he sees the quarrel that will result from his suggestion that the provinces should select a flag. Whether or not the flag of Newfoundland, accepted by Mr. Smallwood, is suitable to the other provinces is immaterial.

On this point I say that three provinces have their own flag: the province of Nova Scotia has the King James flag, the province of Quebec has the fleur-de-lis, and the province of Newfoundland has the lions rampant. There is of course also the province of Ontario which has the red ensign. I remember that Mr. Frost, before making his retreat, decided that the red ensign was the flag that the province of Ontario should have and to which the school children should give their salute in the morning. That means that only four provinces have their own flag, although each is entitled to have its own. The first thing each province should do, before giving an opinion on the Canadian flag, is to have its own flag, whether it be the red ensign, the lions rampant, or any other kind.

Hon. Mr. Brooks: For information, may I ask the honourable senator a question? How could the province of Ontario adopt the red ensign with the Canadian coat of arms on it? I wonder if it is officially the flag of Ontario.

Hon. Mr. Pouliot: I share my honourable friend's confusion, but that is the way it was done. Mr. Frost said he liked the red ensign and that it should replace the Union Jack.

This brings me to one of my favourite points, and that is that the Union Jack is one of the most beautiful flags, if not the most beautiful, having the crosses of the three patron saints of the British Isles.

The Hon. the Speaker: Honourable senators, I would point out we are discussing Bill C-105, an Act for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1963. Naturally, we are always interested when Senator Pouliot speaks, but I have been listening patiently for some time now and I cannot see how his remarks regarding a flag have anything to do with this bill. I have allowed certain questions from other senators, but now I would suggest to Senator

Pouliot that he please confine his remarks to the bill before the house.

Hon. Mr. Pouliot: Thank you, Mr. Speaker. The reason I mention this subject is its connection with Vote No. 5, which reads:

> Representation Abroad—Operational—including authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of High Commissioners, Ambassadors, Ministers Plenipotentiary, Consuls, Secretaries and staff by the Governor in Council—

Over $12 million.

Honourable senators know very well that in that amount there are large sums of money for the purchase of flags for use at embassies and consulates general, and since I feel that we have no national flag for use in our representation abroad I refer to this matter. We do not have a national flag. I do not say that to embarrass the Government; I mention it to help the Prime Minister so that he will not waste his time.

The Hon. the Speaker: I indicated to honourable senators that in my opinion these remarks are entirely out of order. If the honourable senator wishes to discuss matters which relate to the bill, there is no objection, but I do not think the remarks he has been making about a flag are in order at this time.

Hon. Mr. Pouliot: I will not insist. Instead, I will conclude by offering you, Sir, and all my colleagues, my best wishes for a Merry Christmas and a Happy New Year.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. A. J. Brooks: Honourable senators, with leave of the Senate, I move the third reading of the bill now.

Motion agreed to and bill read third time and passed.

CANADIAN WORLD EXHIBITION CORPORATION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-103, to establish the Canadian World Exhibition Corporation.

Bill read first time.

SECOND READING

Hon. Mark R. Drouin, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, with all these lions on the rampage it is with some trepidation that I rise to speak in support of my motion for second reading of this bill, which concerns the Canadian Universal and International Exhibition.

I understand that the Deputy of His Excellency the Governor General will be here in about 10 minutes, so my remarks will be brief indeed. It is for the same reason that I feel I can expect from all honourable senators their indulgence and their concurrence, without too much discussion.

The bill before us is the result of a joint drafting of three levels of government, the federal Government, the Quebec provincial government, and the Corporation of the Municipality of Montreal. It has, I understand, received complete and enthusiastic approval from the leaders of all parties in the other place. It was debated there this afternoon and passed within the last hour or so. The leaders of all parties spoke in favour of this bill; it comes here with the general approval of the other place, all parties there having said what they had to say with respect to it. Accordingly, I would ask all honourable senators to give this bill the quick approval of the Senate.

The Montreal World's Fair or, more properly, the Canadian Universal and International Exhibition, received its final approval from the Bureau of Exhibitions in Paris on November 13 last.

Back in 1960 the Canadian Government, with the concurrence of the province of Quebec and also of the city of Montreal, made application for this exhibition. Honourable senators will recall that this was the first application. It was heard in Paris. Honourable Senator Fournier was then mayor of Montreal and he will bear me out on this, that we worked together on the application. Senator Fournier went to Paris at the time for this purpose.

At that time the Soviet Union had also applied for this worldwide exhibition, international and universal, to celebrate their fiftieth anniversary of the Russian Revolution. There were three ballots cast, and finally the Canadian application was turned down by one vote and the Russians got permission from the International Bureau in Paris to hold this exhibition in Moscow in 1967.

Two years elapsed. In the meantime, after second thoughts, the Russians decided to withdraw. The Canadian Government applied again, also with the concurrence of the province of Quebec and of the city of Montreal. This application received the unanimous and enthusiastic approval of the two subcommittees, which sat on October 10 and 11 last, just about two months ago.

On November 13 the Bureau of Exhibitions as a whole approved enthusiastically this application. Since then, the federal Government, the province of Quebec and the city of Montreal, through their lawyers and representatives, drafted this bill, and it is in complete accord with the views of the authorities on those three levels.

(Translation):

Honourable senators, the International Exhibition of 1967 will make Montreal for six months the centre of attraction of the American continent, because it will mark at the same time the centennial of the Canadian Confederation and will enable the metropolis to ask other nations in the world to take part in those celebrations on the occasion of a universal fair. On the national level, beyond all purely educational and commercial competition, this exhibition will offer to foreign visitors a reflection of our way of life, of our thinking, and should foretell our future. In return, the guest countries will bring us the image of their cultural development and of their economic vitality.

In a spirit of artistic and scientific emulation, the 1967 exhibition will have as a task to give a synoptic outline of the evolution of all human activities. It will, in its overall concept, show the intense longing of all peoples for a brotherly co-operation and tolerance. To all the troubles and uncertainty of our time, it will have to oppose a teaching of spirit, perseverance and faith in success. "Man and his World" is the theme which has been unanimously chosen by the organizing committee of the universal exhibition and fair. "Man and his world", in French *Terre des hommes*—and the French speaking Canadians who are here now know that *Terre des hommes* is the title of a book by Saint-Exupéry, a great French author—"Man and his world" will therefore bring us the message of a humanity conscious of its peaceful mission and it will symbolize our hope and trust in life.

The registration of the world fair has been enthusiastically acclaimed not only in Canada, in Montreal and in the province of Quebec, but also in several countries for various reasons. The great nations of the world consider it as an opportunity to associate the big continents to a manifestation which, to their way of thinking, must be done on a gigantic scale, besides being a model for the others which will be planned in the future. The countries which have only obtained their independence these last years shall be represented as distinct ethnical entities, at least that is our hope, and it will be the first opportunity for these nations to assert their existence.

Moreover, it seems useless to mention that the fair will be the most daring undertaking that the three levels of government, federal, provincial and municipal, are called upon to bring about together. Nothing as bold as this has ever been attempted in our country. In fact, we must build up from scratch a fabulous thing which should be considered by the rest of the world as the most sensational event of our times. Here, in Canada, this is somewhat of a challenge to the imagination of creative and artistic people as well as to men who have valuable practical experience. It is obvious, and hardly worth mentioning, that an efficient team will have to be set up and that the greatest degree of co-operation at all levels will be necessary during all the phases of the planning and organization process.

The unavoidably limited time at our disposal to set up such a large scale operation does not permit us to be stingy, because each minute is precious. That is why it is so imperative that we may rely on the best brains we can find.

Honorable senators, you will no doubt recall, since it has been widely discussed in the press, that we should have had seven years to prepare and organize that fair. The Belgians had seven years to organize the Brussels World Fair. We only have four and a half years to go. That is why I am asking you tonight to pass this bill without amendment, because it is in fact the result of an agreement at three government levels, and thus co-operate with those who will be called upon to assume the heavy burden of organizing that fair. Time is already running short, but we believe that, here in this Canada of ours, we work a little faster with the instruments and the mechanization we have, as well as with the machines which are at our disposal, and several of our fellow-citizens, our architects and engineers have already devoted some time to such a task; they already have ideas about the development of that magnificent project, becase we have been discussing it for the last two or three years. That is why we believe that, if no other additional delay occurs, the people of the province of Quebec and Montreal will be able to carry out that undertaking because, on April 28, 1967 we will have to be ready to welcome the fifty nations, at least, that we are expecting and which will probably participate in that project. Fifty or fifty-five nations will certainly accept the invitation of the Canadian people to participate, not only at the fair as such, but they will also come over here to help us celebrate our national holiday, our 1967 centennial. We expect to welcome between fifty and sixty million people who will spend an average of $75 to $100 each, thus bringing Canada foreign

exchange exceeding $2 billions, according to the experts.

Moreover, in my opinion, and I think this will be very much appreciated by some labour unions, the undertaking will give employment to over 25,000 Canadians in Montreal and vicinity and will, of course, pay reasonable wages. I am pleased tonight to offer special thanks to the labour unions of the province of Quebec who have assured us in writing, after passing resolutions to that effect, that no strike will be called on the site of the exhibition or outside with regard to any work related to it. I am pleased to express to them my personal appreciation, and, if you will allow me, that of the Senate and the House of Commons.

This gesture shows how much we can count on the co-operation of our fellow-citizens to carry out this tremendous project.

In this perspective, it is to be hoped that town-planning projects put under way right now will eventually prolong the effects that may ensue in the fields of health and economics from the works of the exhibition. Any diffident outlook, any narrowness of scope, any lack of foresight will only restrict the chances of success of an enterprise which will mark turning point in the history of Canada and its metropolis.

The metropolis of the future must not prove unworthy of the Montreal of the past.

Honourable senators, I shall not go into the details of the bill, but if you have any questions to ask I may be able to answer them since I am quite conversant with the matter, having looked after it for some time.

(Text):

The purport of the bill is to set up a Crown corporation to which will subscribe the federal Government to the extent of $20 million, the provincial Government to the extent of $15 million, and the city of Montreal $5 million. That is to be the investment of each Government in this project.

The board will be composed of a Commissioner General, who will also be president of the Crown corporation. There will be twelve directors, all appointed by the Governor in Council, after agreement reached with the provincial Government and the city of Montreal. In other words, in effect the federal Government will appoint six directors, the provincial Government will appoint four, and the city of Montreal, two. But all these names will be submitted to all three Governments so as to be certain that each member of the board of governors, or directors, will be satisfactory to this Government, the provincial Government and the municipal government of the city of Montreal.

In substance, honourable senators, that is the bill. It sets out the ordinary powers, as drafted by brilliant corporation lawyers. If some honourable senators have questions to ask I shall do my best to answer them.

I would ask that this bill receive its three readings now so that it may receive royal sanction later tonight. As soon as the bill is adopted and proclaimed the site will have to be chosen, the Commissioner General will have to be appointed, and there is a lot of other work to do, such as the planning and the organization of the corporation. All this will take some time, and time is short.

In view of the unanimity this project has received not only here in Canada but in Paris, I would ask and indeed beg honourable senators to adopt the bill as quickly as possible, permitting it to receive royal sanction tonight.

Hon. A. K. Hugessen: Honourable senators, I think it would be difficult for anybody with any heart at all to refuse the request made so earnestly and so eloquently by my honourable friend for the immediate passage of this bill.

As he said, this bill is in effect a joint production of the federal authority, the provincial authority and the city of Montreal, and I understand all of its terms have been carefully considered and agreed upon by all those authorities.

Hon. Mr. Drouin: Seven lawyers have worked on it.

Hon. Mr. Hugessen: Well, that makes me feel a great deal happier.

However, looking at it from the point of view of the responsibility of the Senate to see that legislation which goes through our house is in proper form, perhaps in this particular instance it does give us an excuse not to send the bill to committee and subject it to the very minute scrutiny which a bill would normally get in our house.

I can quite appreciate what my honourable friend said about the necessity for speedy action. If we are to have a good world exhibition in Montreal—and, of course, I would be the last one who would want to prevent anything of that kind, being myself a resident of that city—we have to have a tremendous amount of preparatory organization of the kind to which my honourable friend referred. I think that in itself is a second reason why, in this instance, we can forego the examination which we would normally give to a bill of this character.

There is a third reason which occurs to me. After all, this exhibition will not be held for another five years, and if there should be any faults or mistakes, or anything wrong in this connection, we can correct it within the next year or two.

So, on that understanding and for those reasons, I am in accord—and I certainly think I speak for all honourable senators on this side of the house—with the request which my honourable friend has so graciously made, and I would be quite happy to agree to putting this measure through all three readings this evening.

(*Translation*):

Hon. Sarto Fournier: Honourable senators, I am not in the habit of holding up the Senate very often nor any longer than circumstances require, but I do not feel I can refrain, on this occasion, from saying a few words concerning the bill now before us. First, I should like to congratulate most heartily our distinguished colleague, the honourable Senator Mark Drouin, for the very active part he has played in this tremendous project, not only in the interest of the city of Montreal or the province of Quebec, but of Canada as a whole. Whatever happens in this venture we are entering today, in my opinion it will certainly be quite an experience, a most successful achievement. I think that, in the future, when we have to draw up a list of the persons we must thank and congratulate, the name of Senator Drouin will appear at the very top; I am happy to tell him so and to congratulate him.

I understand also that the present circumstances require that we move fast. Although this is a very important matter, we must somewhat speed it up and pass it quickly. Honourable Senator Hugessen, who spoke before me, said that if mistakes are made, in the next five years, we shall always have time to correct them. I know that the argument of honourable Senator Hugessen is well founded as regards mistakes we could discover in the near or distant future. But it seems to me that, in all good faith, a mistake has found its way into the bill that is submitted to us. In my opinion, it could be corrected right now.

In spite of the urgent invitation extended by Senator Drouin during his remarks, when he asked us to pass the bill without any amendment—it is an important event, not only for the whole of Canada, but also for the whole of North America and, at the same time, for the whole world. The city of Montreal finds itself, under the circumstances, very luckily located right in the middle of things. There is no doubt that the city of Montreal and its citizens will have, in that respect, to play a very important part. First, as citizens of Montreal, we will have to take part in the preparations, pay our share, and split the expenses with the other two governments, federal and provincial.

It is now established that the federal Government's share will amount to $20 million, the provincial Government's $15 million, and the city of Montreal's at least $5 million. Thus, the $20 million donated by the federal Government represents a contribution of $1 per capita, Quebec's share of $15 million, a contribution of $3 per capita for a population of five millions, and the city of Montreal, with a population of 1,200,000, will subscribe $5 million, in round figures, which is at least $4 per capita. As residents of Montreal we are therefore called upon to pay as much as a resident of the province of Quebec and a Canadian citizen together: $1 as Canadians, $3 as residents of the province of Quebec, which makes $4; and we, the Montrealers, will pay directly, at least $4 each, in addition to $3 as Quebeckers and $1 as Canadians. Nobody is against that; there is no criticism on that point. It is obvious that Montrealers will probably be the first to benefit from the fact that the world exhibition will be held in the metropolis. However, we find it odd that there is practically no mention of the city of Montreal in the bill. Clause 3 mentions the island of Montreal. I will not discuss this technicality but, in my opinion, there is no legal entity called the island of Montreal. To be sure, the bill would have to be referred to a committee to determine whether the designation should be Jacques Cartier island, Hochelaga island or the archipelago of Hochelaga. But "island of Montreal", as such, is either a new designation or, as far as I am concerned, something which has no meaning at all. However, since this designation is the one customarily used, to wit this bill and the electoral districts in the Canada Elections Act, I do not intend to make any fuss over that technicality. It seems to me that it would be a loss of time.

There is another article in that bill where the word Montreal appears, namely section 9(d) dealing with expenditures:

> —expend any moneys received by the Corporation by way of grant pursuant to section 11 or by way of grant from the province of Quebec or from the city of Montreal—

It is the first time the city of Montreal is mentioned in the bill, but only with regard to the contribution it will have to make.

Things being as they are, it is no time to quarrel or quibble. Let us not stumble on that section 9(d).

To get to the last section, namely section 10(2), which reads as follows:

> The Corporation shall wind up its affairs and dispose of its assets and liabilities within such time after the closing of the exhibition and in such manner and subject to such conditions as the Governor

in Council, with the concurrence of the lieutenant governor in council, may prescribe.

When the whole business is over, after six months of exhibition, the entire world will have come to visit us, some sixty foreign countries will have honoured us by installing pavilions, tens of millions of American, European and Asiatic people will have come to Canada, to Montreal, and those people will have spent according to present estimates an amount of two billion dollars. Under clause 19, after Montreal's contribution has been used, after $8 per citizen of Montreal has been collected for this exhibition, after our people have been called upon to contribute—which is all perfectly in order, and perfectly fair—at the very end, in the final statement, the time will come to share the profit—because there will be one, as it is impossible for an undertaking of such magnitude, organized as it will be, by competent qualified and disinterested men, not to have considerable success, a universal success—one must therefore expect there will be a considerable profit.

Now, the last subsection of section 19, that is the last clause of the bill, states that the federal and provincial governments will be the only ones to share the surpluses, profits and advantages deriving from the whole enterprise.

I know that my honourable friend, Senator Drouin, told us that the city of Montreal will have at least two representatives. However, I looked in the bill to see where this could be mentioned, and I did not find it anywhere. I do not doubt the sincerity of his word but, honourable senators, how can we be absolutely sure of what the population of Montreal will be in five years from now, when one cannot foresee exactly what will be the economic, and political situation, because we will certainly have by that time gone through a couple of federal elections; we will surely have gone through another provincial election and another municipal election. And who will be the persons elected and what kind of administration shall we have from the Canadian point of view, from the Quebec point of view and from the point of view of Montreal? Nobody can foresee that. Nobody can even make the slightest guess. Therefore, before the bill is read for the third time, I would like to propose a very innocuous amendment. I would like the City of Montreal to be included in the project, not only as a subscriber, not only as a contributor, not only to give and devote itself to the whole project, but also that it may be present when the time comes to share the benefits equitably, adequately, according to its investment.

I have the honour of moving, seconded by the honourable Senator Power, that the bill be not now read a third time, but that it be amended as follows:

> Page 8, line 47, in the second paragraph of item 19, immediately after the world Council, insert "and the executive committee of the city of Montreal."

Honourable senators, it seems to me perfectly in order and logical that the federal government be represented at this moment, on account of its contribution, and that the provincial government be also present at this moment, on account also of its contribution, but that the municipal authorities of the city of Montreal, under precisely the same principle and for exactly the same reason, be also present when everything will be over, when the hour of settlement shall come, so that we are not left with nothing, or in the situation of a beggar going to Quebec or coming here to Ottawa to ask the House of Commons, or the Senate, or the Legislative Assembly, or the Legislative Council, kneeling down, to implore them to share at least on an equal basis. This will not happen if today we are careful enough to put into the act the amendment I am now moving, so that the city of Montreal, which shall be able to make its contribution during all this time, shall be also present at the end, in order that the lion and his cubs shall not be the only ones to share the crop or the profits but that for once, in the history of Montreal, our city can be considered as something else than a milch-cow.

We have been the milch-cow of the province for a very long time, and it would be disastrous if after having served the province of Quebec in this capacity for years and years, we should become, on the occasion of the world exhibition, the milch-cow of the whole country, following this legislation. It may be a rather vulgar expression, but I hope I will be excused for using it, because, with our people, it is a current one which shocks nobody, because it is historically and bluntly true.

If this is inserted in the bill, if the Senate votes the amendment, the bill will be returned to the House of Commons, and I think that, in 5 or 10 minutes, the amendment will carry. It will come back to us and we will all be able to say "carried", and the people of Montreal who will have to pay when the time comes to share, will also be there to reap, when the time comes to do so. (*Text*):

Hon. Mr. Drouin: Honourable senators, I must resist—

The Hon. the Speaker: I must point out that if the honourable senator (Hon. Mr. Drouin) speaks now, he will close the debate.

I would point out to the honourable senator who has just spoken (Hon. Mr. Fournier, De Lanaudiere) that he has been referring to the third reading.

I would suggest that we proceed to second reading, and when I put the motion for the third reading, the honourable senator (Hon. Mr. Fourier, De Lanaudiere) may speak again and then present his motion. Would that be agreeable?

Hon. Mr. Drouin: Why can I not reply to his speech right away?

The Hon. the Speaker: I do not see that there is any objection, except that the honourable senator (Hon. Mr. Drouin) would be closing the debate.

Hon. Mr. Drouin: An amendment has been proposed and I wish to reply to it. I think it is out of order.

The Hon. the Speaker: As far as the amendment is concerned, I cannot accept it, because it proposes "that the bill be not now read the third time", and we are now on second reading. That is why I think we should proceed as I have suggested, and when I put the motion for third reading the honourable senator (Hon. Mr. Fournier, De Lanaudiere) can speak again and propose his motion, if no other senator wishes to speak.

Hon. Mr. Drouin: But I want to avoid another speech from the honourable senator that will be as long as the first one, because time is passing and the Governor General, or his Deputy, is waiting.

The Hon. the Speaker: When the motion is put, the honourable senator can speak then.

Hon. Vincent Dupuis: Honourable senators, I want to put a question to the honourable senator from De Lanaudiere (Hon. Mr. Fournier) on subsection 2 of section 19 of the bill, dealing with the winding up of the corporation's affairs and the disposition of its assets and liabilities after the closing of the exhibition.

If it occurs, as it has happened in the past with some world exhibitions, that as the result of a mishap the Montreal World Fair has a deficit, is my honourable friend ready to put his amendment just the same? That is what I am afraid of. I am from Montreal, and I am very anxious that it should have an exhibition and a world fair, but since the result is financially uncertain, I think it would be very wise not to put the city in such a position that its people, instead of being the vache à lait, will have to meet the deficit.

Hon. Mr. Fournier (De Lanaudiere): Honourable senators, after the bill has received second reading I shall be glad to answer the honourable Senator Dupuis. I assure the honourable Senator Drouin that if my speech was rather long for him, it was just two minutes shorter than the one he delivered.

Motion agreed to and bill read second time.

THIRD READING

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

Some Hon. Senators: Now.

Hon. Mr. Drouin moved, with leave of the Senate, that this bill be now read the third time.

Hon. Mr. Fournier (De Lanaudiere): Honourable senators, I move that the bill be not now read the third time, but that it be amended as follows:

> Page 8, line 47, in the second paragraph of item 19, immediately after the word "Council," insert "and the executive committee of the city of Montreal"

Hon. Mr. Drouin: Honourable senators, I must resist this amendment very vigorously, not only because it will have the effect of delaying the adoption of this bill, which has received the unanimous support of all the parties in the Commons, the unanimous support of the people of Canada and, I must say, the unanimous support and encouragement of the Council of the Bureau of International Exhibitions.

The honourable senator who moved the amendment (Hon. Mr. Fournier, De Lanaudiere) said in his opening remarks that it was innocuous—it was "inoffensif," as he put it in French. Well, if it is so innocuous and unimportant why does he at the last moment move an amendment to the bill? I said in introducing the bill that it was the result of an agreement between all levels of government: the federal Government, the provincial Government of Quebec, and the government of the Municipality of Montreal. In other words, it is a pact; it is an agreement.

Honourable senators who are corporation lawyers will appreciate that this bill does not contain all the agreements between these three governments. There is an entente, an agreement, that goes into many more particulars than does this bill. We could not embody in it all the detail, all the difficulties and problems that had to be solved between the three levels of government by way of contract. These, I understand, have been agreed upon before and during the drafting of this bill, and it is the result of the joint effort of all three governments. We cannot amend it, especially section 19 which is a money question. It has to do with the winding up of the corporation after the closing

of the exhibition, and it is doubtful that the Senate can amend a money bill, in that sense.

There are many other sections in which the city of Montreal is not mentioned, and could have been mentioned, but that is because there is an agreement. I said that the city of Montreal would propose two directors, that the province would propose four, and the federal Government six—12 in all.

Hon. Mr. Power: Is this a written agreement?

Mr. Drouin: No. There is no written agreement as yet.

Hon. Mr. Power: I thought you said that the agreement was a written one.

Hon. Mr. Drouin: I was very careful not to say it was a written agreement. I said an agreement, an entente. I was very careful in that respect, because I know it is not down in writing as yet.

This bill was the result, I would say, of eight or nine meetings held in Ottawa and Montreal. Seven lawyers, representing Montreal, the province of Quebec and the federal Government, worked on it, and this bill is in accord with their agreement. The city of Montreal has agreed that in certain sections it would not be mentioned, because it would force the draftsmen of the bill to go into too much detail and make it too complicated.

This is a public bill. What is done here is apparently done in corporations that are formed involving complicated arrangements. There is a side agreement between the bond holders, the debenture holders and common shareholders in many cases. This bill is no different. Why should we amend it for something that is so unimportant?

As honourable Senator Dupuis, from Montreal, just mentioned, section 19 provides for the winding up of the corporation. When that is done there might be a profit, or there might be a loss, and if the city of Montreal does not partake in the division of what is left after closing it will not be forced to pay part of the deficit. The honourable senator mentions that the city of Montreal will contribute a large amount to this exhibition. That is true, on the whole. But the city of Montreal will harvest some direct and immediate benefits from this exhibition, and that is why the present administration of the city was justified in agreeing to make the contribution of $5 million, which is the equivalent of between $3 and $4 per capita, over and above what the citizens there pay in taxes. The city of Montreal will derive a direct benefit from all the moneys that will come in through the visitors to the city at that time. That will be an immediate benefit for the citizens of Montreal, and that is why they are justified in spending a little more money. Also, the city of Montreal will be the recipient of permanent works such as roads, for which the province will pay. The citizens of the province of Quebec, the citizens of Ste. Etienne de l'Epouvante, will pay for those roads going into Montreal. That is the reason why I believe the present city administration was justified in authorizing this contribution of $5 million.

In conclusion, honourable senators, I think this amendment is out of order because it has to do with expenditures of money, and as far as clause 19 is concerned it is a money bill and we should not touch it.

The second reason is that on its merits the amendment should not stand, for this legislation is the result of an agreement among three parties who come to you seeking only ratification of it. Time is short; we only have 4½ years to organize an exhibition which should really take seven years. Therefore, I think we should proceed immediately and not send it back to the other place and run the risk of having the amendment rejected. In that case we would have to wait until January 21, at the earliest, to pass the bill. We would be losing one more month, and possibly such delay would impair the prospect of having this exhibition ready on time. Therefore, I vigorously object to this amendment.

(*Translation*):

Hon. Sarto Fournier: Honourable senators, I do not intend to speak very long. I listened with great interest to the warm-hearted remarks of honourable Senator Drouin. He seems to have based his argument on the fact that I am coming at the very last minute with my amendment, but I would simply ask Honourable Mr. Drouin, who is an expert on Parliamentary procedure, after having occupied the Chair for a few years and presided with great ability and tact over the procedure and debates of the Senate, to tell me at what time I could have submitted my amendment before tonight.

(*Text*):

Hon. Mr. Brooks: Honourable senators, I am not going to delay passage of this bill, but I am rather amazed that an amendment should be brought in at this time, when we consider there has been so much consultation among the federal Government, the provincial Government and the city of Montreal, with the lawyers from these different bodies going over every item of the bill.

I am advised that the federal Government has considered this matter and, as was mentioned by the honourable senator who introduced the bill here, there was unanimous consent by all parties in the House of Commons. I am also advised that the Government will not accept the amendment proposed by Senator Fournier. It could not be accepted without further consultation with the city of Montreal, the province of Quebec and the other parties. If the bill does not pass third reading here tonight it will certainly be held up until after the recess and probably longer, and without obtaining the result for which the honourable senator has introduced his amendment.

The Hon. the Speaker: It is moved by Honourable Senator Fournier (De Lanaudière), seconded by Honourable Senator Power, that this bill be not read a third time but that it be amended as follows:

> Page 8, line 47, in the second paragraph of item 19, immediately after the word "council," insert "and the executive committee of the city of Montreal".

Honourable senators, is it your pleasure to adopt this motion?

Some Hon. Members: No.

Hon. Mr. Drouin: Decidedly not.

The Hon. the Speaker: Those in favour of the motion will please say "Content".

Some Hon. Members: Content.

The Hon. the Speaker: Those who oppose the motion will please say "Non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion the non-contents have it. I declare the motion lost.

When shall this bill be read the third time?

Hon. Mr. Drouin: I move, with leave of the Senate, that the bill be read the third time immediately.

Motion agreed to and bill read third time and passed.

The Senate adjourned during pleasure.

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 the Governor General was pleased to give the royal assent to the following bills:

> An Act respecting The Trustee Board of The Presbyterian Church in Canada.
>
> An Act to incorporate The Christian Brothers of Ireland in Canada.
>
> An Act respecting Merit Insurance Company.
>
> An Act to amend the Department of National Health and Welfare Act.
>
> An Act to amend the Food and Drugs Act.
>
> An Act to provide for the establishment of an Atlantic Development Board.
>
> An Act to amend the Coal Production Assistance Act.
>
> An Act respecting the Construction of a line of railway in the province of New Brunswick by Canadian National Railway Company from Nepisiguit Junction on the Bathurst Subdivision of the Canadian National Railway in a southerly and westerly direction for a distance of approximately 15 miles to the property of Brunswick Mining and Smelting Corporation Limited.
>
> An Act to amend the National Housing Act, 1954.
>
> An Act to amend the Federal-Provincial Fiscal Arrangements Act and the Federal-Provincial Tax-Sharing Arrangements Act.
>
> An Act respecting the Imperial Life Assurance Company of Canada.
>
> An Act to establish the Canadian World Exhibition Corporation.

The Honourable Marcel Lambert, Speaker of the House of Commons, then addressed the Houourable the Deputy of His Excellency the Governor General as follows:

> May it please Your Honour:
>
> The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.
>
> In the name of the Commons, I present to Your Honour the following bill:
>
> An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.
>
> To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

ADJOURNMENT

Leave having been given to revert to the order for Notices of Motions:

Hon. Lionel Choquette: Honourable senators, I move, with leave, that when the Senate adjourns today it do stand adjourned until Monday, January 28, 1963, at 8 o'clock in the evening.

Before moving the adjournment of the house, on behalf of the honourable Leader of the Government (Hon. Mr. Brooks) I wish all honourable senators a very Merry Christmas and a Happy New Year.

Hon. Mr. Hugessen: Honourable senators, may I on behalf of the Opposition associate myself with the happy wishes of the honourable acting Leader of the Government (Hon. Mr. Choquette).

The Hon. the Speaker: Honourable senators, I, personally, wish to extend to each and every honourable senator my very best wishes for this Christmas season. May the message that came to us on the first Christmas remain with you throughout the coming year.

Motion agreed to.

The Senate adjourned until Monday, January 28, 1963, at 8 p.m.

27511-5—34½

THE SENATE

Monday, January 28, 1963

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

Prayers.

DOCUMENTS TABLED

Hon. A. J. Brooks: Honourable senators, I have the honour to table the following documents. As the list is quite long, I would ask for the consent of the Senate to dispense with reading it.

Hon. W. Ross Macdonald: Agreed.

The following documents were tabled:

Reports of the Royal Commission on Government Organization, Volume 3, Supporting Services for Government (continued) and Services for the Public (J. Grant Glassco, Chairman), dated December 3, 1962, together with a Statement of Information and Summary of the said reports. (English and French texts).

Statutory Orders and Regulations Published in the *Canada Gazette*, Part II, of Wednesday, December 26, 1962, and January 9, 1963, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

Report of the Operations under the International River Improvements Act for the year ended December 31, 1962, pursuant to section 11 of the said act, chapter 47, Statutes of Canada, 1955. (English text).

Copy of Ordinances, chapters 1 to 18, made by the Commissioner in Council of the Yukon Territory, assented to December 3, 1962, pursuant to section 20 of the Yukon Act, chapter 53, Statutes of Canada, 1952-53, together with a copy of Order in Council P.C. 1963-28, dated January 3, 1963, approving same. (English text).

Report of the Department of Forestry for the fiscal year ended March 31, 1962, pursuant to section 12 of the Department of Forestry Act, chapter 41, Statutes of Canada, 1960. (English and French texts).

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

Statement prepared in the form of Schedule Q to the Bank Act, showing Composite Current Operating Earnings and Expenses of the Chartered Banks of Canada for the financial years ended in 1962, pursuant to section 119(1) of the said act, chapter 48, Statutes of Canada, 1953-54. (English text.)

Report of the Superintendent of Insurance for Canada, Volume II, Annual Statements of Fire and Casualty Insurance Companies and of Accident and Sickness Insurance transacted by Life Insurance Companies in Canada, for the year ended December 31, 1961, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C. 1952. (English text).

Report on the Operations of the Municipal Improvements Assistance Act for the year ended December 31, 1962, pursuant to section 11 of the said act, chapter 183, R.S.C. 1952. (English text).

Public Accounts of Canada for the fiscal year ended March 31, 1962, pursuant to section 64(1) of the Financial Administration Act, chapter 116, R.S.C., 1952 (English and French texts), in three volumes, as follows:

Volume I—Summary Report and Financial Statements;

Volume II—Details of Expenditures and Revenues; and

Volume III—Financial Statements of Crown Corporations and Auditors' Reports thereon.

Report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1962, pursuant to section 70(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French texts).

Copies of Authentic Texts of Conventions and Recommendations, pursuant to Article 19(5) of the constitution of the International Labour Organization, adopted by the Forty-sixth Session of the International Labour Conference, held in Geneva in June 1962 (English and French texts), together with copy of a letter from the Deputy Attorney General of Canada setting out the federal and provincial legislative jurisdiction with respect to the aforementioned international instruments, as follows:

Convention 117—Basic Aims and Standards of Social Policy.

Convention 118—Equality of Treatment of Nationals and Non-Nationals in Social Security.

Recommendation 116—Reduction of Hours of Work.

Recommendation 117—Vocational Training.

PRIVATE BILLS

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-22, respecting General Mortgage Service Corporation of Canada.

Bill read first time.

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

Motion agreed to.

CANADA PERMANENT TORONTO GENERAL TRUST COMPANY—FIRST READING

Hon. Lionel Choquette presented Bill S-23 respecting Canada Permanent Toronto General Trust Company.

Bill read first time.

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

Motion agreed to.

CONFEDERATION LIFE ASSOCIATION—FIRST READING

Hon. L. P. Beaubien, for Hon. T. D'Arcy Leonard, presented Bill S-24, respecting Confederation Life Association.

Bill read first time.

Hon. Mr. Beaubien (Bedford) moved that the bill be placed on the Orders of the Day for second reading on Wednesday next.

Motion agreed to.

NATO PARLIAMENTARIANS

EIGHTH ANNUAL CONFERENCE AT PARIS, FRANCE—DEBATE ADJOURNED

Hon. W. Ross Macdonald rose pursuant to notice:

> That he and the Honourable Senators Pearson, Hnatyshyn and Connolly (Ottawa West) will call the attention of the Senate to the Eighth Annual Conference of NATO Parliamentarians held at Paris, France, 12th November to 16th November, 1962, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

He said: Honourable senators, you will recall that in November of last year representatives from this Parliament attended the NATO Parliamentarians' Conference in Paris. There were four representatives from this house, they being the Honourable Senator Pearson, the Honourable Senator Hnatyshyn, the Honourable Senator John J. Connolly and myself.

There were four members from the Government party and four from the official Opposition party in the House of Commons. The members of the Government party who went to Paris were Mr. William Skoreyko, who was the leader of the delegation, Mr. Cyril F. Kennedy, Mr. George R. Muir and Mr. Georges-J. Valade.

From the Opposition party there were Miss Judy LaMarsh, Honourable Paul Hellyer, P.C., Mr. Hedard-J. Robichaud, and Mr. D. Rodger Mitchell. From the Social Credit party there were Mr. André Bernier and Mr. Raymond Langlois. From the New Democratic party there was Mr. Murdo Martin.

Honourable senators will see by that list that there was a very good representation from both Houses of Parliament. I may say that we got along extremely well together, and at no time was there any suggestion of partisanship. We were at all times very congenial and took a great interest in the work, whether it was during our tour of the army and air force bases in Germany or at the NATO conference itself.

With the delegation were two conducting officers, Wing Commander G. H. Avent, D.F.C., CD, and Lieutenant-Colonel J. P. Francis, CD, of the Royal Canadian Artillery. Also with the delegation was Mr. L. S. Virr of the House of Commons Treasury office, and two representatives from the Press Gallery, Gordon Dewar of the Ottawa *Journal* and Jean Charpentier of *La Presse*. These two gentlemen were, I am informed, selected by lot, as is the custom in the Press Gallery with delegations of this type. This completed the total of 19 members in the delegation.

At 11 o'clock on the morning of November 8 we left Ottawa in a comfortable but slow R.C.A.F. C-5 aircraft. With two short stops en route the plane landed the next morning at 11 o'clock at Gutersloh in West Germany, after a long, tiring and tedious trip.

In West Germany we were greeted by Brigadier M. R. Dare, D.S.O., C.D., who commands the 4th Canadian Infantry Brigade there. On disembarking we were conveyed immediately by bus to the Brigade Headquarters at Soest, a journey which took a little over an hour. We were conducted then to our rooms in the Officers' Club. These were not elaborate but were quite comfortable.

We had been hoping to get a little rest because as honourable senators can understand, there is not much rest in an aircraft of the type on which we had travelled. However, there was no rest yet for us. We were told that lunch was ready. We had a very good lunch in the Officers' Mess. We thought that then we might have a little time to rest, but this

was not to be. We attended an interview with Brigadier Dare, who briefed us on what was taking place in his brigade.

Brigadier Dare is a well-informed, competent and inspiring officer. I cannot speak too highly of his efficiency and of the confidence which he commands in all ranks. He is an outstanding Canadian and a fine representative of Canada with the NATO forces.

At the briefing session the brigadier explained the part that the brigade took in the NATO defence force in Europe, and he told us about the equipment, some of which is first-class and some of which is in need of early replacement. He also told us of the training which the brigade receives.

Most of the equipment is for use in conventional warfare, if it should take place. I recall only one piece of equipment which might be said of the type which would require a nuclear warhead, and that is the "Honest John". Apart from training on that piece of equipment, the other training is in connection with the class of equipment with which those of us who served in either the First or Second World Wars were accustomed, but of a much more modern type.

There was no ammunition with nuclear warheads and nothing was said as to whether or not ammunition might arrive. We not only saw the "Honest John" but we familiarized ourselves with the other equipment; and we found the officers and the men were well trained and very efficient. I am sure that anyone visiting Europe, whether from Canada or another country, would be proud of our personnel there.

As darkness fell we returned to the Officers' Club and shortly thereafter we attended a reception at which men and women representing various groups located in the army centre were present. We had an opportunity to converse with them and tell them about Canada; they in turn told us about Germany and of the conditions under which they were living. I was pleased to learn that there were very few complaints, for our people in Germany appear to be happy in both their home life and their military life.

The evenings were happy ones. One evening Senator Connolly, on behalf of our delegation, presented to the brigadier and the mess an oil painting of a typical Canadian autumn scene, done by Commander Anthony Law, R.C.N., of Halifax. We thought it appropriate that a painting should be presented by a Canadian artist. This idea, which was accepted by all of the delegation, was first thought of by Senator Connolly, who told us that Commander Law is a Canadian artist of considerable prestige. It is unnecessary for me to say that the brigadier and members of the mess were pleased to have presented to them a painting of this type. After the presentation it was my privilege to thank the brigadier and the officers for the evening which they had provided for us.

It was near midnight by this time, but many of us felt that we should take the opportunity of visiting the town of Soest at which was being celebrated the 535th annual fair. This is a fair to which people come from all around and bring their wares. There are amusement rides such as ferris wheels, and one thing and another. It is interesting to note that this fair has been going on for 535 years without a break. On this particular evening we had an opportunity of seeing something of the German town of Soest and of meeting the members of the Canadian brigade as they mingled with the German people. You can imagine how interesting it was for us to see our Canadian boys associating with the Germans and to observe how well they got along together. Although it was after midnight, there were no disputes and everything was orderly. The German people seemed happy to have the Canadian soldiers with them and the Canadian soldiers were obviously happy to be with them. I can assure you that we were very proud of our Canadians that evening. More than that, we ourselves were proud to be Canadians.

The next morning, after having gone to bed rather late, we were awakened at seven o'clock and spent the morning in the various camps where we saw the armed forces both at work and at play. Time will not permit me to tell of the facilities which are provided for our men, nor of the enthusiasm with which the members of our armed forces entered into these activities.

We then witnessed a thrilling performance of skill and daring by five Canadian helicopter pilots, which gave us some idea of the part a helicopter would play in modern warfare.

About noon we left on the R.C.A.F. plane which had taken us overseas, en route to No. 4 Fighter Wing at Baden Sollingen. We had lunch on the plane so immediately upon arrival at the base we were able to attend a briefing by Air Vice-Marshal Wray. He gave us a warm welcome on our arrival. There is no doubt he and his officers were glad to see their fellow Canadians. Air Vice-Marshal Wray is a competent, enthusiastic and inspiring officer and has the complete confidence of all ranks. I do not say that without having some knowledge. Having mingled with both the officers and the men, I know that they all have the highest confidence in their commanding officer. We learned from the Air Vice-Marshal that the members of the wing

are being trained for the role which Canada is undertaking to play in NATO, being that of a strike reconnaissance force.

The first squadron of planes of the C.F. 104 type was then being delivered and it was thought they would be flying by the end of the year. That was in November and, from what I have read in the press, I understand they are flying now.

There is no doubt that these planes are effective only when equipped with nuclear warheads. As the Air Vice-Marshal said, the decision to arm them is certainly not his. It is a political decision. Apart from the time which it takes to learn to master one of these airplanes, should nuclear warheads be acquired an additional six months would be necessary to train the pilots to operate the planes when equipped with nuclear warheads.

Hon. Mr. Drouin: That would be additional training?

Hon. Mr. Macdonald (Brantford): That would be additional training after the warheads arrive.

Hon. Mr. Brooks: What authority have you for saying that? I understand the required additional training would be from two to three months.

Hon. Mr. Macdonald (Brantford): Perhaps the honourable leader's authority is better than mine, but I was basing my statement that it would take an additional six months on what I thought was the very best authority. However, whether six months or three months, a considerable period of training will be necessary after the warheads arrive.

After the briefing we visited the aerodromes where, once again, we were impressed with the efficiency and the esprit de corps of all ranks. We were amazed at the skill of the young Canadian pilots who took off on an interceptor mission in two jet fighters in three and a half minutes from a cold start.

We saw something that afternoon of family and off-duty life of the members of the air force. We did this by visiting the shopping centre provided for and patronized by the families of the air force personnel, and we also saw their homes. I would say that all air force and army personnel seemed to be happy and contented with their conditions and way of life in Germany.

It was really worth while to go overseas and rather than find, complaints and grousing to find our Canadians happy in the land in which they were serving for the time being.

That evening there was a reception similar to the one which we had had at the Officers' Mess in the brigade, although at the air force mess the ladies were not present. It was Saturday night and no doubt they had many responsibilities with their families.

At this gathering, which was a very happy one, Senator Hnatyshyn spoke eloquently and appropriately, and Senator Pearson, on behalf of the delegation, presented a painting—similar to the one which had been presented at the brigade—to the Air Vice-Marshal, who left no doubt that the members of the air force headquarters were very happy indeed to know they had been remembered by the Canadian delegation.

After the reception, which did not break up very early, we went to the town of Baden-Baden which is situated on the edge of the Black Forest, and there we saw something of that beautiful community which is noted for its casino and its health baths. Here again we observed something of the spirit of good will which prevails between our airmen and the residents of that part of Germany. We returned to our quarters in the wee small hours, only to be awakened on Sunday morning at seven o'clock.

Hon. Mr. Drouin: What time had you gone to bed?

Hon. Mr. Macdonald (Brantford): After returning in the wee small hours.

Hon. Mr. Drouin: Everything is relative, you know.

Hon. Mr. Macdonald (Brantford): If I do not remember the hour at which we went to bed, I do remember we were awakened at seven a.m., and after breakfast we attended Divine Service, either in the Roman Catholic chapel or in the Protestant chapel.

This was the 11th of November. There we were, in far off Germany, witnessing the placing of wreaths and hearing the Last Post and Reveille sounded, knowing that similar ceremonies were taking place in our own communities back home in Canada. After the service we boarded the plane and were taken to Paris.

Honourable senators, we have arranged our report so that it will be presented in four parts. It has been my responsibility to take it to Paris. Senator Pearson will tell you of the conference; Senator Connolly (Ottawa West) will tell you of the work of some of the committees, and Senator Hnatyshyn will tell of our very interesting trip to West Germany. Having taken you to Paris, I now leave you in the hands of Senator Pearson.

Hon. Arthur M. Pearson: Honourable senators, I have a somewhat longer report than that of the honourable Leader of the Opposition (Hon. Mr. Macdonald), but I think it will be of considerable interest to you.

As Honourable Senator Macdonald has said, we arrived in Paris. We landed at Orly airport, which is one of the largest and busiest in Europe. Planes arrive and depart almost continuously day and night. It is a very modern airport and the American army has a section of its own there. We were taken to this American establishment and from there we boarded an army bus which took us north into the city of Paris. We went through the Latin Quarter which to me, from a western point of view, is a very sad looking place. It is a very old part of the city with narrow streets. It was wet and ugly when we were there, which is the rainy time of the year. However, in spite of all that, it is most interesting to go through that part of Paris, across the Seine river, skirting the Place de la Concorde and crossing the Avenue des Champs Élysées and up to the street named Faubourg St. Honore to Hôtel de Castiglione. That hotel is named after an Austrian general who was defeated by Napoleon in the war against Austria. Although it was not large it was very comfortable, and I believe each member of our delegation enjoyed himself there.

That Sunday afternoon we had a briefing lasting one and a half to two hours by the Canadian Ambassador to NATO. He gave us a most interesting report and brought us up to date on what was happening in NATO affairs.

The next morning we were up early. As the honourable leader opposite has said, "early" was always the story over there. We had our breakfast and a caucus before starting out for NATO headquarters, where we arrived at 9 a.m. Most of us left the hotel with Wing Commander Avent, who took us through to the Paris tube at Place de la Concorde. He said that we could have gone to la Madeleine, which was as close, but that we would have to transfer from that line to another to get to Porte Dauphine, where NATO headquarters are located.

Honourable senators, I may say in passing that I looked over the famous old church of la Madeleine. When I was over in Paris in 1961 this building was as black as the Ace of Spades; it was so dirty you could hardly tell what it was. They have since given it a thorough cleaning and it looks "new-born"; it glistens in the sun. An interesting thing, as I understand from talking to some people there, is that the authorities of metropolitan Paris have undertaken to have public buildings like la Madeleine cleaned, provided the property owners in the district do repair work and cleaning on their own buildings. In doing this the property owners are charged to employ casual labour to a large extent, and this is one way of providing employment for many refugees returning to France from Algiers. I understand they are very slow; it takes these men months to do the work inside these buildings because they are very inexperienced and it is hard to obtain enough experienced men to keep them moving.

As I was saying, we arrived at NATO headquarters at 9 a.m. It is on the east side of Bois de Boulogne, at a place called Porte Dauphine, at the foot of avenue Foch, which is a wide boulevard with two-way traffic. Running parallel to the main boulevard are access streets to the buildings and houses on each side. It is rather like a park all the way down avenue Foch.

To get into NATO headquarters you had to have a pass with your name on it, and this you had to show before you could use the elevator. Once in the large assembly hall, you could not leave again unless you showed your pass. So they observed fairly strict security measures to ensure that only those who were on duty there and NATO parliamentarians could enter or leave.

The assembly hall covers a large area and has an extensive horseshoe-shaped table at which the representatives of the various countries sit, starting at the south side with Belgium, Canada, and so on, proceeding in alphabetical order, the last group opposite Belgium and Canada being the United States. At the head table sit the Chairman and Secretary General, and whoever is making a speech at the time.

On the first day of our attendance we were welcomed by the Chairman, Mr. Micara, and then we heard an address by Acting Secretary General Colonna. I understood that in the absence of Mr. Stikker from the Netherlands, the Acting Secretary General took his place. Then we heard an address delivered by Mr. Couve de Murville, Minister of Foreign Affairs for France, followed by General Norstad, then the Supreme Commander of the allied forces in Europe. Others who addressed us were Vice-Admiral Smeeten, R.N., the Deputy Allied Supreme Commander, and Professor Walter Hallstein, President of the Commission of the European Economic Community. These addresses took up the first two days.

On the third and fourth days the members of the parliamentary association spent their time in committee work. There is a room with a long table provided for each committee. Only so many representatives can sit at it, and the others sit immediately behind. So, if a delegation consists of two members, one sits at the table and the other behind him. There is simultaneous translation in English and French. On the fifth day the reports of the committees were given at the plenary session in the large hall, and the closing

address was delivered by the Honourable George Ball, representing the United States.

Honourable senators, this is a report of the "daylight" happenings of the group of parliamentarians that went over there. I will not say anything further on that.

I should now like to repeat some of the comments that were made by various speakers we heard. We heard Mr. G. Colonna, Deputy Secretary General of NATO, briefly review the resolutions passed in 1961 and the action taken with regard to them by the NATO secretariat. In his opening remarks he said:

> We need the fullest support of the public opinion of our fifteen member countries, and this means, first and foremost, that of the elected representatives of our allied nations. You parliamentarians and we officials must work hand in hand in mutual trust and in a common conviction as to the common goal we hope to reach.

I must say that the liaison between the NATO parliamentarians and the secretariat has greatly improved since I attended the NATO Congress in London in 1959. You might say that the secretariat is beginning to feel the pulse of the NATO member countries, and so can work more easily with each country. Mr. Colonna stressed the fact that the true goal of NATO should be the development of the Atlantic Community. This word "community" has come into prominent use in NATO circles. I have a feeling they are developing something new. The objective of the NATO nations is European unity and Atlantic solidarity. He said that the Atlantic Ocean should not separate but should unite the free world.

Professor Hallstein touched on many points, such as the Common Market, Atlantic solidarity expressed in NATO, and military matters. He said that the community element must dominate in any new mechanism to be established to deal with the stresses and strains in working out problems of the Common Market. He also spoke on the question of independent deterrents and the proliferation of nuclear weapons. He said that in all the conferences or conventions of the NATO Alliance the basic structure in negotiations must remain the twin and complementary demands of responsibility and trust. These have not always been in the forefront, since at the beginning of NATO there was fear of Soviet military power, but now that the NATO nations have spread out from being strictly a military and political body they have to take into consideration, first, economic problems as they affect NATO and currently the developing countries; second, technical and scientific problems; and, third, cultural and informational problems.

We then had a short report from Senator Estes Kefauver of the U.S.A. I might say that Senator Kefauver has regularly attended the NATO meetings. He gave the conference a report on what is known as the Second Declaration of Atlantic Unity. This declaration was agreed to at the Paris Convention in January 1962—I think the late Senator Wall spoke about it when he made his report—although, as has been said, it has been repeatedly presented and passed at the annual Parliamentary Conventions since 1957. This declaration was signed by some 242 members of the 14 NATO nations. There was one member who abstained, I imagine.

If honourable senators will bear with me I should like to place on record the seven recommendations that were made at that meeting in September about which Senator Kefauver spoke.

Hon. Senators: Agreed.

Hon. Mr. Pearson: The seven recommendations were as follows:

> 1. Establish a governmental commission on Atlantic Unity to draw up a Charter for an Atlantic Community suitably organized to meet the challenge of this era.
>
> 2. Create a permanent High Council which should act in defined cases by a weighted majority vote on matters of common interest.
>
> 3. Develop the NATO Parliamentarians' Conference into a consultative Atlantic assembly which would review the work of all Atlantic Institutions and make recommendations to them.

I notice that in the latest issue of the magazine *Freedom and Union* there is an article by a correspondent who suggested that this third recommendation was one of the finest things that had come out of this Eighth Conference of NATO Parliamentarians.

> 4. Form a trade partnership between the European Economic Community and North America as a basis for an Atlantic Economic Community, but open to all other qualified nations of the free world.
>
> 5. Establish an Atlantic High Court of Justice to decide specific legal controversies which might arise under Community treaties.
>
> 6. Promote measures to ensure more effective defence including further development of a unified Atlantic command; a common strategy both inside and outside the Atlantic area; greater standardization and a more rational production of

arms and equipment; and defence contributions fairly shared among our respective countries.

7. Support and expand the Atlantic Institute as an intellectual and spiritual centre for the Atlantic Community.

These recommendations were placed before the conference, and Senator Kefauver moved, seconded by Lord Ogmore of the United Kingdom, that they be adopted. They received the unanimous approval of the conference, and were presented to the Political Committee of NATO Parliamentarians who, after considerable discussion, brought in their report to the plenary session of Friday, November 16. I shall give you a few excerpts from their report so that you may see how this matter was dealt with by the committee:

1. Along the accelerating march of Europe toward Union in both economic and political spheres there has emerged a clear and pressing need for a parallel pattern of union among all the Atlantic nations. The purpose of this report is to recommend to the Conference of NATO Parliamentarians a deliberate exploration of the means by which existing Atlantic institutions may be strengthened and caused to act more in concert, and, if necessary, the means by which new machinery may be created to build not merely European unity but an Atlantic partnership transcending both national and natural boundaries.

2. The Atlantic Nations are now served by a multitude of separate international institutions—each is controlled by a separate executive council—there are no formal and regular meetings by which they may consult or plan or act in coordination. There is no common parliamentary body cognizant of all Atlantic institutions by which the peoples of the nations involved may directly be represented. Two assemblies and two only are in fact needed, namely, a European parliament and an Atlantic Assembly. These should evolve by the development of existing institutions.

I think that this second declaration created quite a stir among the NATO Parliamentarians at that time in Paris. Somebody brought it before our committee and Lady Elliot, Baroness of Harwood, who was our chairwoman, said that this idea of a European parliament and an Atlantic assembly was a great thing, and that as far as she was concerned this 1962 conference of the NATO Parliamentarians would go down in history as the beginning of the union of all nations of the Atlantic.

Honourable senators will remember that paragraph 3 of the second declaration suggested that the NATO Parliamentarians' Conference be constituted into a consultative Atlantic assembly. In other words, the present political committee agreed in part with the second declaration by adopting the third paragraph, except that they put it down in their own words.

They then went further and made the recommendation that the NATO Parliamentarians themselves must study and resolve the problems involved in re-forming and strengthening their own conference. To this end it urged that a subcommittee of the NATO Parliamentarians' Conference be appointed to study and recommend possible solutions to the problem of the development of the NATO Parliamentarians' Conference into an Atlantic assembly in accordance with Recommendation 3 of the Atlantic Convention of NATO Nations of January 1962. They further suggested that

> the subcommittee should consist of eminent and experienced parliamentarians who are able to devote sufficient time to the consideration of this vital matter.

The Political Committee felt that various other recommendations of the Declaration of Paris should be adopted by the NATO Parliamentarians' Conference without delay.

With respect to the windup of the Paris conference I should like to quote a few excerpts from the talk given us by the Honourable George Ball of the United States. He gave us a brief history of the development of the Cuban situation and the conclusions of that problem. He said it was no accident that the first major progress towards Atlantic unity came in the organization of military power. The danger to which the free states of the west were and are exposed is the massive threat of a disciplined and aggressive communism.

He said that in the 13 years since the founding of NATO not a single inch of European territory has come under communist domination. The alliance has been increased in membership and in geographic scope. It has kept pace with the rapid development of sophisticated weaponry. It has steadily augmented the strength at its command. Its institutions and staff have developed in capability and in confidence. The North Atlantic Council has come to function as a broad consultative organ treating, besides military questions, political questions of the keenest importance and the greatest variety. NATO is in the military field what the O.E.C.D. is becoming in the economic field.

Further in his address, the Honourable Mr. Ball said this:

We have available over 20 tactical Air Squadrons, we maintain in place major stockpiles of nuclear and conventional weapons, and a diversity of means of delivery.

In view of the character of the United States involvement in Europe, any notion that we might abandon our European commitments is destructive, chimerical and false.

He went on to say:

Defence in the nuclear age is not simple. It is expensive; it is technically complex; it is something relatively new in the world; and it is constantly changing because of the rapid rate of technological development. The fact that my own country—

He was speaking of the United States of America.

—within a very short period has moved from reliance on massive retaliation to a search for the widest range of possible retaliatory measures is no accident of political fortune. It is an expression of the pace and the sweep of change that technology forces upon us.

Later on he said:

In the military field Europe shares with the United States responsibility for western defence as a whole. It is our common duty to define the priority of needs. The most urgent need today is for the development of more effective conventional forces for NATO to complement the superior nuclear power already available to the Alliance. The strengthening of conventional forces is, of course, eminently feasible. In population and gross national product the NATO countries are more than a match for the Soviet Union and its East European satellites.

NATO forces already dominate the sea; our air strength is at least equal to that of the Soviet Bloc. We need more strength on the ground, not only in terms of manpower but in qualitative terms. We need more and better equipment and reserves of better quality and higher mobility. The additional expense required to make up these deficiencies can pay back dividends.

Honourable senators, my understanding, after listening to General Norstad, Vice-Admiral Smeeton and Honourable George Ball, is that we need at this time a greater build-up in conventional forces, so that we will have as great a superiority in this field as we already have on the seas and in our nuclear power. There was no suggestion at any time that there should be an expanse of the nuclear family or that there was greater need for a nuclear build-up.

I trust honourable senators will bear with me as I deal with another committee, the Military Committee. In the opening session there was an address of welcome from the chairman and then an address from Mr. Couve de Murville, Minister of Foreign Affairs in France.

This year, he pointed out, was a year of crises and just one more of those phenomena in the conflict between the east and the west.

He said:

It is true, in the autumn of 1962, the crisis occurred in an area not covered by the 1949 treaty because it is outside the territory of any of the member countries, including the U.S.A., which is the country directly concerned. That is the reason why the appropriate bodies in our organization were not called on to deal with the question directly, although they were kept fully informed on what was happening.

Then he said further:

The main point is that everyone realized immediately that, if the crisis were to spread, they very soon would be directly concerned, owing to the extreme difficulty of keeping a conflict of this kind between two great powers localized if it lasts more than a day or two. Everyone realized simultaneously that, if the situation were to develop along those lines, the stage would immediately be reached when the Alliance would have come into play and we should all find ourselves facing the most serious of responsibilities.

Honourable senators, I should like to give a few excerpts from General Norstad's remarks. In a review of the military situation of the NATO nations, the General said NATO was a force to be reckoned with on the land and on the sea and in the air. He told me personally in this connection that we could be justly proud of our Canadian forces under his command. He said:

In spite of our strength, we are short in a number of ways. We are short of combat and service support and until these goals are met, we are subjecting ourselves to unnecessary risks. Compared with what has been done, the remainder is comparatively small but should be attended to.

He stressed that

> Provision should be made for an adequate reserve for Allied Command Europe. We need these reserves placed in Europe, so our transport by plane in case of war can be used mostly to move in troops from overseas. These men should only need to carry their hat and rifle, plus a small amount of baggage.

He continued:

> The military strategy in Europe altered and is keeping pace with the changes made by the enemy. The new concept is called forward defence or a forward strategy. This means the NATO forces will be in a position to cover all territory and all people of the Alliance.

Apparently up to now we have taken a position more or less of a defensive area, somewhat withdrawn from the Iron Curtain. Apparently now it is to be something different, to move up towards the Iron Curtain.

Increasing necessity and availability of stronger forces now make the coverage mentioned desirable and possible. A mobile defence in the forward areas is now the order in the central region of Europe. General Norstad stressed the fact that our great strength is in the unity we have built. This unity has taken 13 years to accomplish and has been undramatic in the building, but today is recognized as one of the outstanding accomplishments in our desire to achieve peace with all people. There are 15 nations—the United States of America, Canada, Turkey and 12 in Europe—which are united as never before for the preservation of peace and security.

Up to this point in the three speeches we had heard, Mr. Couve de Murville was the only one to mention nuclear weapons; that was to say that the crisis in Cuba might have led to a nuclear war but he, too, said that when nuclear powers come up against each other, as in Cuba, they assess their nuclear strength on that basis. They came to certain conclusions which for everyone were happy conclusions.

Then we heard from Vice-Admiral R. M. Smeeton, R.N., Deputy Allied Supreme Commander. He told us of the build-up of the Soviet navy, with 450 submarines, 30 cruisers and 400 destroyers. Many of the submarines are nuclear-powered. Russia controls the so-called Euro-Asian heartland, a tremendous land mass. Why then this massive build-up of submarines? Is it to cut Europe from America? European ports on an average employ 8,000 ships to keep peacetime Europe supplied, 4,000 in port and 4,000 on the high seas continuously. Europe might be destroyed by starvation. On the other hand, America might be attacked by nuclear weapons launched from submarines.

Our aim should be to contain Russian submarines in the area of the North Sea; to prevent submarines from getting out or returning in the event of an all-out war.

Our naval job is to defend Europe, America and the highway connecting them. There should be a unified command of all allied navies similar to the command of allied armies. He said we must hold Gibraltar, the Dardanelles and the Suez.

Vice-Admiral Smeeton said:

> Sea power gives the Alliance an instrument whose capabilities run the entire gamut of military requirements. This includes the ability to engage in all-out nuclear war, conventional war, and cold war or limited war. A prerequisite is control of the seas.
>
> The danger from the submarine threat is with us now. In the next decade, with the introduction of more nuclear submarines with missile capability, the threat will become very severe.

To me, personally, after hearing these speakers, the whole concept of nuclear war is shifting from heavy bombers, which are themselves very exposed to destruction, to that of submarines loaded with medium-range missiles and nuclear powered, so they may stay hidden from attack for long periods of time. They are hard to find, can approach to within easy striking distance of their target and are movable to any area in the globe. Our paramount need now is detection and control of enemy submarines.

With the permission of honourable senators, I should like now to place on record the recommendations of the Military Committee. I think these are quite apropos of the speeches that were delivered to us prior to the committee work. The recommendations are as follows:

> I. that the Governments concerned should give very high priority in their defence planning and expenditures to provide SACEUR with the fully trained and equipped forces, together with adequate logistic support, which have been deemed necessary by this Supreme Allied Commander to carry out his mission.
>
> II. that the arms and equipment—particularly the heavy equipment—of troops who will have to be moved considerable distances should be stockpiled in peacetime.
>
> III: that all member states contribute, either by provision of support units, including air transport, or on a financial basis, to the mobile forces.

IV: Recognizing the vital importance of seaborne supplies for the logistic support of NATO operations and civil requirements in Western Europe;

Aware of the heavy and increasing scale of submarine attack to which sea communications would be exposed;

Recommends: (1) that urgent attention shall be given to the provision of adequate anti-submarine naval and maritime air forces to ensure the security of these communications; (2) that research and development in anti-submarine warfare shall receive high priority; (3) that SACLANT shall be invited to report again at the next meeting of this Conference on the progress being made in meeting the rapidly increasing submarine threat.

V. Convinced that Civil Defence and Civil Defence Emergency Planning are essential as a complement to military defence;

Believing that these forms of defence should be properly co-ordinated with the military defence system;

Believing also that Civil Defence is lagging behind military defence;

Considering that it is essential that these forms of defence should be clearly revealed as important;

Recommends that the Civil Defence Adviser be made directly responsible to the Secretary General of NATO.

Honourable senators, I had the opportunity to be the chairman of our group in the Committee on Culture and Information. This committee, in the opinion of its Chairman, Lady Elliot, Baroness of Harwood, is the most important committee of all now that we have, in a sense, passed the immediate danger of military action. I must say I wholeheartedly agree with this point of view. With greater emphasis on the work of this committee, it might be said that NATO has broken out of the strict bounds of military necessity, and through this committee looks to the needs of, first, its member nations, second, the developing nations, and finally to the communist satellite nations; that is to say, the cultural needs of these nations.

So I say again that the Soviets, who had a head start in developing their policy of divide and rule by means of widespread propaganda and infiltration throughout the world, have, indeed, hastened the day when nations, especially the NATO group, were forced to build a strong co-operative union to counter all the various ramifications of the Soviet propaganda. They have done, and are doing, a far greater service to the world than the peoples of the western world ever dreamed of because our people when under this kind of pressure will not allow their dreams of freedom to be dominated by a narrow, cramped ideology. The Soviets believe in the domination of all by the state as their form of freedom, and on the other hand the western nations' concept of freedom is the dignity and rights of the individual. The Atlantic Community refuses to make the state the supreme authority.

Under the heading of information, there is a great need of publicity throughout the Atlantic Community of nations of the work being done by NATO through the various committees.

NATO needs the support of the public, and it is only able to get this support if the work of NATO is properly put before the people of the western nations. Further, information of the splendid work being done by NATO nations must be carried to the developing nations. Apparently no attempt has been made to inform these latter nations of work being done by NATO because of our negative attitude towards the use of propaganda.

I would like to append the following two recommendations which were passed by the Cultural and Information Committee, and presented to the Plenary Session, which in turn unanimously agreed to these two recommendations:

I. Affirming the desirability of creating interest in and support for the Atlantic idea, especially among young people;

Believing also in the desirability of continuing the progress which has been made through exchanges of persons supported by Fulbright funds—

That is Senator Fulbright.

—and by other means;

Requests the North Atlantic Council to convene a conference of representatives of appropriate authorities concerned with education in order to consider and recommend the best means of achieving the above objectives so as particularly to improve the general level of instruction in the Atlantic area and to increase the exchanges of teachers, student teachers, graduate students, research scholars and professors between NATO countries; and further to extend these objectives to groups of persons such as members of trades unions who, while not possessing these academic qualifications, have common interests likely to be able to take advantage of these facilities.

II. Considering that it is essential to make the aims and achievements of western civilization better known and understood by our own peoples as well as those of the communist-controlled countries, and those of the rest of the

world, including the developing countries;

Considering that the action taken by the governments of the members of the Alliance should be intensified and co-ordinated and that NATO itself also has its own function in this field;

Realizing that the means available, and therefore the action taken by NATO, are still inadequate;

Requests the North Atlantic Council, to investigate ways of improving the dissemination of objective information by the West; to decide what action properly belongs to NATO; to initiate a review procedure to survey annually the foreign and domestic information policies and efforts of member governments directed towards advancing NATO objectives, both within NATO countries and any countries not members of NATO, including the uncommitted and the communist countries, to the end of developing a better co-ordinated and more comprehensive ideological thrust by the free world;

Requests that increased money and staff be made available to NATO by governments to carry out tasks in this field.

On motion of Hon. Mr. Connolly (Ottawa West), debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, January 29, 1963

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

Prayers.

DOCUMENT TABLED

Hon. A. J. Brooks tabled:

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, January 23, 1963, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French texts).

INTERNAL ECONOMY

FOURTH REPORT OF COMMITTEE

Hon. L. P. Beaubien, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's fourth report:

Your committee recommend the adoption of the revised rates of compensation hereinafter set out for the employees of the Senate of Canada.

The employees in the following classifications shall be paid the rate—

Hon. Mr. Macdonald (Brantford): Dispense.

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

Hon. Mr. Beaubien (Bedford) moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

For text of report see appendix, pp. 542-3.

NATO PARLIAMENTARIANS

EIGHTH ANNUAL CONFERENCE AT PARIS, FRANCE—DEBATE ADJOURNED

The Senate resumed from yesterday the adjourned debate on the inquiry of the Honourable Senator Macdonald (Brantford) calling the attention of the Senate to the Eighth Annual Conference of NATO Parliamentarians held at Paris, France, 12th November to 16th November, 1962, and in particular to the discussions and proceedings of the conference and the participation therein of the delegation from Canada.

Hon. John J. Connolly: Honourable senators, I desire to resume the discussion which took place last night with reference to the NATO Parliamentarians' meeting held in Paris last November. I may say that this was the fourth occasion upon which I had the privilege of attending a NATO meeting, either as a delegate or as an observer on a Canadian delegation, and I consider it a high privilege and a great opportunity to have been among the members of the Canadian Parliament who attended this and other NATO meetings.

I think it rather important in the first place to remind honourable senators of the countries represented in the NATO alliance. They are Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Turkey, the United Kingdom and the United States.

The NATO Parliamentarians' Conference is somewhat different from the meetings of the United Nations which parliamentarians from time to time attend because all of the delegates from all of the countries are backbenchers. Ministers, even ministers of state, and parliamentary assistants, as a rule do not form part of the delegations.

The size of the delegation varies of course with the country. The American and British delegations are quite large. Canada has an intermediate-sized delegation.

Honourable senators, before I go further I would like to say that at this conference, and indeed at other NATO Parliamentarians' Conferences I have attended, there was voiced a great respect and deep affection for one of our colleagues who founded the NATO Parliamentarians' Association a number of years ago. I refer to the honourable senator from Shelburne (Hon. Mr. Robertson), who is now an honorary life president of the association.

As the honourable senator from Lumsden (Hon. Mr. Pearson) said last night, the work of the conference is conducted partly in plenary session and partly in committee. He also indicated that in the plenary sessions all the backbencher parliamentarians from the 15 countries have an opportunity of hearing the great experts in NATO—men like Norstad and Hallstein and Ball from the United States of America, and Admiral Smeeton and others—discuss the pressing problems of this vital Alliance which is the shield of the west and which has proved itself to be the shield from the point of view of military defence.

In addition to the work done in the plenary sessions, there are five committees and the delegates are all assigned to various committees, usually those of their choice. They are the Military Committee, the Political Committee, the Economic Committee, the Cultural Committee and the Scientific and Technical Committee.

All these committees and the work they do have a bearing upon the work, the problems and, indeed, the hopes of the Alliance. I think the work of this conference and its committees is a magnificent opportunity for backbencher parliamentarians to acquaint themselves with the problems of these leading countries of the western world with which we are associated under this treaty. I feel it is unique in that respect, in that the problems considered in all the committees are current problems, actively engaging the attention of the leaders of each of the countries in the Alliance. I would hope that as a result of the kind of opportunity given to parliamentarians at this meeting, as time goes on the public would be better informed as to the importance of the Alliance, that parliament itself would be better able to deal with the problems of the Alliance, and indeed that governments might be influenced by the type of information which becomes available to backbencher parliamentarians, and which in some respects the government leaders with their preoccupation with other problems might be disposed to neglect.

There is one other preliminary matter I would like to mention, because I propose to discuss rather briefly the work done by the economic committee, on which I have sat now on three occasions. I should draw the attention of honourable senators to the Organization for Economic Co-operation and Development, of which Canada and all NATO countries are members. In addition to the NATO countries, Austria, Ireland, Spain, Sweden and Switzerland are also members of O.E.C.D.

The Canadian delegation was privileged to be invited to a dinner given by the Secretary General of O.E.C.D., Professor Thurkil Kristensen, on the Sunday night before the NATO meetings opened. All of our delegation was invited, as indeed was the American delegation. Professor Kristensen gave as his reason for the gathering that he was able to reach most of the European parliamentarians in O.E.C.D. through the Council of Europe, which meets regularly at Strasbourg, but the Canadian and American parliamentarians are not often in Europe and there is no parliamentary branch for O.E.C.D., as there is for NATO.

Professor Kristensen, who was Minister of Finance in his own Scandinavian country before he assumed the office of Secretary General of O.E.C.D., made a remarkable speech that night. He discussed the essences of the economic problems of the west. He desires, and would dearly like to see, the establishment of a parliamentary arm for O.E.C.D. There are some parliamentarians on this side of the water who resist this idea. They think there are perhaps too many parliamentary bodies. I would hope, however, that on some occasion there would be an opportunity to make available to backbencher parliamentarians from all of the O.E.C.D. countries the opportunity available to them through the NATO Parliamentarians' Association to become familiar directly with the work of O.E.C.D.

O.E.C.D., to me, is a very important body. It looks primarily at the economic, political and social problems of all western countries. It has been defined as the economic and social policy arm of the whole Atlantic community. I would hope that at some time the desires of Mr. Kristensen to have a parliamentary arm for O.E.C.D. will be realized. I hope it will be along the lines of the parliamentary arm established for NATO or perhaps through association with the Economic Committee of the NATO parliamentarians' group. It would be helpful to parliamentarians in all those countries to be able to take advantage of the work done by the staff of the O.E.C.D. and by the people who attend the meetings. Of course most of those who attend the meetings of O.E.C.D. are ministers of government. It is a ministerial committee.

I am afraid, honourable senators, I have departed too far from my original plan of discussion.

Let me say in the first place that the Economic Committee of the NATO Parliamentarians' Association has as its chairman Senator Jacob K. Javits of New York, and as its rapporteur Anthony Kershaw, M.P. of the British House. Its deputy chairman is Dr. Burgbacker of the Bundestag of the West German Republic. I would particularly like to pay tribute to the work these men have done over the last three or four years in the preparation of working papers, in developing research and in pointing up the serious economic problems which confront all countries of the Alliance both individually and collectively. I praise the leadership these three men have given in making available to parliamentarians who sit on that committee enough data to be able intelligently to discuss the problems.

Senator Javits does not do this work alone nor, indeed, does Mr. Kershaw. Some of it he is able to get done by universities and research organizations. I would hope before too long that Canada would be able to participate in the preparation of some of this material. I think it would be welcomed if it came from Canada. As an outward-looking country, we would have a very special approach to these problems which do affect the entirety of the western world.

I should next like to say that the Economic Committee is not an executive body. Its function is to conduct studies and make recommendations.

However, Senator Javits claims, and I think quite rightly, as one of its achievements, that from one of the recommendations of some years ago O.E.C.D. was established. As honourable senators know, Article II of the NATO Treaty provides for economic co-operation between the member states. It has never been too easy to develop economic co-operation among the NATO countries under this article specifically. Perhaps the reason lies in the fact that NATO is generally considered not to be an economic organization primarily, but above all a military organization. NATO was established to defend first of all northwest Europe from Russian military aggression, and it succeeded. I think it was realized very early, however, that without economic co-operation, economic strength and political strength within the Alliance, the work of the military arm of NATO would not succeed as it should.

As was pointed out in this chamber several years ago, again in a debate sponsored by the honourable senator from Shelburne (Hon. Mr. Robertson), Mr. Khrushchev said at one time—and perhaps this is still his policy—that he will not defeat the West by military means but that he will defeat the West through an economic offensive. This declaration was recognized by this committee in 1961 when one of its recommendations started this way:

> Recognizing that in a nuclear age the struggle with communism is as much economic and political as it is military .....

These people were very clear in their minds that it was not only military but economic and political strength as well which were required if the NATO idea was to succeed.

I have said that Article II is not the most appropriate vehicle for the development of economic strength. Economic strength came to the West in other ways, though perhaps not so planned. The foundation of it was, of course, Marshall aid. Out of that grew the Treaty of Rome and the European Common Market. The instrument which Europeans themselves forged for the building of this economic strength was that of freer trade, to be applied not only among the developed countries but among the underdeveloped countries as well, and in the relationships between the developed and the underdeveloped countries.

I think it appropriate to say, honourable senators, that at the time of this meeting in November two issues seemed to be of paramount importance to those who sat on that committee: one was the British application for entry into the Common Market; the other was the United States Trade Expansion Act. These matters are still of great importance. We all regret today's news, if it is true, that the British application for membership in the Common Market at the moment is not going to succeed, because in the view of those who attended the NATO economic committee and, I believe, indeed in the view of most people who attended this parliamentary conference, British participation in Europe is not only of paramount importance for Britain but also for Europe itself.

The problems that Europeans faced as they tried to develop their economic strength were very great, and the Common Market is really a political and economic miracle in Europe today. As a result of the establishment of the Common Market, Europe, which was for generations the heart of the West, is now veritably becoming the economic hub of the West. New patterns in international economic development are emerging. New economic patterns generate new patterns of social living. This happened after the Industrial revolution. It is happening today in Europe, and I believe all of us wish that development well. Britain's association with Europe, economically and politically, in one way or another is of the greatest moment.

Now may I review quickly the six resolutions the economic committee considered at the meeting last November. Two dealt primarily with the developed countries. The first had to do with east-west trade problems and the question of trading in strategic and non-strategic goods. The committee was unanimous in calling for consultation, particularly in the field of trade in respect of non-strategic goods, so that NATO countries ensure they do not as a result of trading with communist countries become vitally dependent upon that branch of their trade.

Another resolution dealt with the serious problem which confronts so many of the countries of the Alliance, namely, the imbalance of international payments. Of course, this is a multilateral problem: it is not just Canada which is concerned with this, or even the United States; all countries are concerned with it at times. Some of these imbalances develop from huge overseas military expenditures. This is the position in which the Americans found themselves. Others developed as a result perhaps of excessive aid going to developing countries. The problem of trying to adjust the imbalance, so that too much will not go into military aid and more will go into the work of helping the underdeveloped countries, engaged the attention of this committee at some length.

Honourable senators will be interested to know that all four remaining resolutions passed concerned the problems of the poor,

the underdeveloped, and the developing countries. One resolution proposed a plan to encourage private, not public, investment in developing countries by providing insured guarantees against loss of investment. This was a very interesting discussion. Another dealt with the proposal for the stabilization of prices for primary commodities of developing tropical countries. The variation in the market prices of these commodities can create great economic problems at home, and lengthy consideration was given to this issue.

Yet another resolution dealt with early manufactures of developing countries. The developed countries were urged to do all they could to encourage the early manufactures of countries which are not highly industrialized, by removing tariffs and quotas and by allowing them to export to the more highly industrialized areas of the West.

The fourth of these resolutions dealt with the pressing problem of the economies of Latin America. Senator Javits himself proposed the establishment of a team to study this problem and present material at the next meeting of the NATO parliamentarians, which would enable the committee to do useful work in this field. The thought was that all this work to assist Latin American countries should not be done by public capital, but also, and to a large extent, by the provision of private capital. The work proposed would be similar to that now undertaken by the American organization known as the Alliance for Progress. Really, what was hoped for was that something similar to the Marshall Plan in Europe could be developed as a "Marshall Plan" for South America. But in this work not only the Americans would participate but also the European countries, because there is plenty of free capital being generated in Europe.

The fact that four out of the six resolutions of this committee dealt with the problems of underdeveloped countries gives the lie to the thesis that NATO is a "rich man's club". The NATO countries represented on this committee are interested in generating a climate in which freedom can grow and prosper. I thought it highly appropriate too that such emphasis should be given to this work in Paris. If I may repeat what I said at the final plenary session which dealt with these resolutions, it was particularly interesting for those from North America to witness the emphasis given to the problems of the underdeveloped countries. For it was in the city of Paris, three hundred or more years ago, that plans for the exploration and early development, not only of our country but, indeed, of our neighbour to the south were conceived. So, in a sense, history was repeating itself.

I will conclude by saying that the work of the Economic Committee next year will include the study of two or three special projects, the first of which will be the economics of the space program. Of course, the Americans will be the leaders of this study, they being able to obtain most of the research and make it available.

Another subject for discussion will be the economics of armamentation. This is a very serious problem, honourable senators, in every one of the western countries which have the huge defence expenditures. Mr. Kershaw of the British House of Commons will direct this study.

Another paper will deal with the economics of disarmament. Lord Listowell, who made a worthy contribution particularly with respect to the problems of South America, will direct the research in this field.

There will be a paper prepared by the Germans under Dr. Birrenback on the problems of trade in the Atlantic region, and another German delegate, Dr. Burgbacker, will deal with the problems of energy in Europe.

Honourable senators, I have spoken for too long. My attendance at the NATO Parliamentarians' meetings has been, for me, a great privilege. I also consider these meetings to be a splendid opportunity for backbenchers to acquaint themselves with the problems of the Alliance. These problems are also the problems of our own country.

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

PRIVATE BILLS

THE GOOD NEWS BROADCASTING ASSOCIATION OF CANADA—SECOND READING

Hon. Arthur L. Beaubien moved the second reading of Bill S-17, to incorporate The Good News Broadcasting Association of Canada.

He said: Honourable senators, the promoters of this corporation are all from Winnipeg. They are Clarence Lewis Reimer, manager, Walter Carman Newman, barrister, and Wesley Bernard Penner, barrister. The objects of the corporation are contained in clause 4 of the bill and are as follows:

> (a) to promote dissemination of Christian knowledge and to promote, organize, establish, maintain and carry on, conduct and assist organizations or facilities for the dissemination of Christian knowledge in all its branches and activities, including foreign and home missions, publishing houses, seminaries, schools, colleges, public correspondence schools, hospitals, dispensaries, parsonages, orphanages and

homes for the aged, and any other institutions and organizations for charitable purposes or any of them;

(b) to supply and render charitable services to poor and needy persons;

(c) to give and to receive donations for charitable purposes and in connection therewith to do all things reasonably necessary in order to comply with any terms stipulated by the donors of gifts made from time to time to the Corporation; and

(d) to do all such other things as are incidental or conducive to the attainment of the above objects.

The promoters of this corporation wish to co-operate with a similar organization which exists in the United States called The Good News Broadcasting Association Incorporated, a corporation having its head office in Lincoln, Nebraska. For more than 21 years, six days a week, this association has brought its religious message to the world. The Back to the Bible broadcast was begun in 1939 by Theodore H. Epp. In addition to its radio programs, it supports more than 200 missionaries and publishes and disseminates religious literature such as The Good News Broadcaster, a 16-page monthly newspaper for adults with a subscription list of nearly 200,000.

The promoters are asking for the usual powers contained in legislation of this kind. If the bill receives second reading today it is my intention to move that it be referred to the Standing Committee on Miscellaneous Private Bills, before which the promoters will appear to give all the detailed information that the committee requires.

Hon. Mr. Davies: May I ask the honourable senator what the position of this group is with respect to the Board of Broadcast Governors?

Hon. Mr. Beaubien (Provencher): I do not think this corporation will have anything to do with the Board of Broadcast Governors.

Hon. Mr. Davies: Will they not have to have a licence?

Hon. Mr. Beaubien (Provencher): If this bill is passed then this organization will be able to function, and I suppose besides preparing literature it will broadcast its message by buying time on the different radio stations in Canada, as is now being done in the United States. I do not think it will have anything to do with the Canadian Broadcasting Corporation or the Board of Broadcast Governors. This bill has been on the Order Paper for weeks, and neither the Board of Broadcast Governors nor the Canadian Broadcasting Corporation have presented any objection to it. If these bodies do have any objection, then surely they will appear before the committee.

Hon. Mr. Davies: They are not going to have a radio station of their own, I take it?

Hon. Mr. Beaubien (Provencher): No.

Hon. Mr. Lambert: This is a non-denominational group?

Hon. Mr. Beaubien (Provencher): Yes, it is non-denominational.

Hon. Mr. Macdonald (Brantford): Not quite.

Hon. Mr. Lambert: What is it?

Hon. Mr. Beaubien (Provencher): It is non-denominational. The promoters of this corporation will be present before the committee to explain this bill.

Hon. Mr. Brooks: Did I understand the honourable senator to say that it is not their intention to set up their own broadcasting station?

Hon. Mr. Beaubien (Provencher): No, there is no such intention.

Hon. Mr. Lambert: Surely, this is a request for the incorporation of an organization which has an evangelical function to perform, and the methods by which that will be performed are something the corporation will work out. It will decide whether its message will be broadcast by means of radio, newspapers, or other media. This is purely a request for incorporation.

Hon. Mr. Brooks: It is not confined to radio broadcasting.

Hon. Mr. Roebuck: Honourable senators, if these people have any good news to impart I do not see why they should not have a broadcasting station of their own so as to let us hear it.

I would like to know the reason for clause 10 which reads:

> In regard to any real property which, by reason of its situation or otherwise, is subject to the legislative authority of the Parliament of Canada, a licence in mortmain shall not be necessary—

Is there any plan to acquire property in the far north or somewhere outside the jurisdiction of the provinces?

Hon. Mr. Beaubien (Provencher): I cannot really answer that question offhand, but I am sure the honourable senator will be able to obtain that information in committee. It is my understanding that in order to become

a charitable organization able to accept gifts, and so forth, there has to be incorporation under another act, and I understand the promoters are going to apply for that. In any event, they will be present before the committee to give all of the necessary information.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Beaubien (Provencher), bill referred to the Standing Committee on Miscellaneous Private Bills.

THE UNION OF SLAVIC CHURCHES OF EVANGELICAL CHRISTIANS AND BAPTISTS OF CANADA—SECOND READING

Hon. Harry A. Willis: Honourable senators, before I move the second reading of this bill, may I be permitted to congratulate my friend from Ottawa West (Hon. Mr. Connolly) on his brilliant, concise and lucid description of the activities of the NATO Parliamentarians Conference. Knowing his position in the party opposite, I wondered, when he was speaking, if we could not devise certain means by which we could send him to Paris for good, or at least for two or three years.

Honourable senators, I now move second reading of Bill S-21, to incorporate The Union of Slavic Churches of Evangelical Christians and Baptists of Canada.

As I understand it, the Slavic Churches originated in Russia and Poland and as their adherents emigrated to Canada they formed themselves into two local groups here. These two groups became separate. Having been established here for some time, they formed an agreement five years ago among themselves whereby they would apply to Parliament to have these churches united and incorporated. It took five years to bring this petition before Parliament, and I am now presenting the bill for second reading.

I do not propose to go through all the sections or deal with the objects of the measure. The bill is almost identical with other bills presented by religious organizations which we had before us in the fall. If it receives second reading today I will propose immediately that it be referred to the Standing Committee on Miscellaneous Private Bills.

Hon. Arthur W. Roebuck: Honourable senators, I see in this bill a clause similar to that to which I called attention in the bill which has just preceded this one. The clause refers to real property which, by reason of its situation or otherwise, is subject to the legislative authority of the Parliament of Canada, and the clause states that a licence in mortmain shall not be necessary.

I point this out in order to emphasize it and call attention to it. I do not like it. The mortmain acts of the various provinces are based upon ancient traditions. There was a time in England when actual fear arose lest too much land should be accumulated by the charitable and religious organizations. It was then that the acts in mortmain were conceived and passed. We have kept them up, and wisely so.

I suppose that property beyond the control of the provinces at the present moment is not very important socially. It may prove a nuisance to take out a licence in mortmain; it is rather annoying and unnecessary, one may think, to do so even in the province. However, we do not think so. I think we are fairly unanimous that our mortmain acts should be continued.

For example, there may be some place beyond Winnipeg, up in the north, where property may be acquired by charitable organizations, and later on those lands may become a part of the province or a new province of their own. Then, this corporate provision will be in the way.

I think we should keep up the tradition of mortmain in the far distant parts, as well as we do in the more settled parts of the country. I do not like this provision.

Hon. Mr. Willis: Honourable senators, I did not frame this bill, but I have seen other quite similar ones and they all contain that provision. I presume the reason for it is that these poor church organizations should not have to pay out money, first to a legal firm and secondly to the province for a licence in mortmain.

I presume that is why this section appears in all the acts I have seen relating to religious corporations. However, that matter can be debated in committee, with the honourable senator's consent.

Hon. Mr. Roebuck: Honourable senators, if I may speak again, may I say this clause does not relieve the religious organizations from taking out a licence in mortmain within the provinces. They must obey the laws of the province. Later on, when the outlying districts become provinces or are joined to existing provinces, these organizations will have to submit to the laws of their provinces and may be required to take out a licence in mortmain at that time.

One reason I have for calling attention to this point relates to just what the honourable senator has said. He says that this clause appears in other bills. It appears in both the

bills before us today. However, it is only more or less recently that we have been inserting this provision in such bills, and I question the wisdom of doing so.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Willis, bill referred to the Standing Committee on Miscellaneous Private Bills.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See* p. 535)

REPORT OF STANDING COMMITTEE ON INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

Tuesday, January 29, 1963

The Standing Committee on Internal Economy and Contingent Accounts make their fourth report as follows:—

Your Committee recommend the adoption of the revised rates of compensation hereinafter set out for the employees of the Senate of Canada.

The employees in the following classifications shall be paid the rate shown immediately below the rate being paid on the effective date indicated, and if appointment was made after such date, the rate shown immediately below the rate being paid on the date of appointment, provided such employee was on strength on December 5th, 1962:—

THE SENATE OF CANADA

SALARY REVISION

(A) EFFECTIVE OCTOBER 1, 1961

Chief Clerk of Committees, Senate
Editors of Debates and Chief of Reporting Branch, Senate

From:	8820	9240	9660	10080	10500
To:	9480	9880	10300	10700	11100

Assistant Chief Clerk of Committees, Senate
Assistant Chief, Reporting Branch, Senate
Chief, English Minutes and Journals, Senate

From:	7500	7800	8100	8400	8700
To:	7950	8250	8550	8850	9150

Parliamentary Reporter, Senate

From:	6840	7140	7500	7860
To:	7200	7500	7860	8220

Assistant Gentleman Usher of the Black Rod and Chief Equipment and Furniture Control Officer
Chief, French Minutes and Journals, Senate

From	6420	6660	6900	7140
To:	6750	6990	7230	7470

Committee Clerk

From:	6360	6540	6720	6900
To:	6480	6720	6960	7200

Chief of Stationery Branch, Senate

From:	5340	5520	5700	5880
To:	5610	5790	5970	6150

Postmaster, Senate
Secretary to the Clerk of the Senate

From:	4860	5040	5220	5400
To:	5100	5280	5460	5640

Principal Clerk
Secretary, Law Clerk's Branch, Senate

From:	4620	4800	4980	5160
To:	4860	5040	5220	5400

Secretary-Stenographer to the Leader of the Government in the Senate

From:	4800
To:	5010

Debates Amanuenses

From:	4320	4560	4800
To:	4530	4770	5010

Assistant Postmaster, Senate
Curator, Reading Room, Senate

From:	4200	4380	4560	4740
To:	4410	4590	4770	4950

Clerk 4

From:	4050	4200	4350	4500
To:	4260	4410	4560	4710

Secretary-Stenographer to the Leader of the Opposition in the Senate
Supervisor, Senate Stenographic Pool

From:	4404
To:	4620

Senior Bilingual Stenographer, Senate

From:	4296
To:	4500

Senate Stenographers

From:	3636	3876	4080
To:	3810	4050	4260

Clerk 3

From	3570	3720	3870	4020
To:	3750	3900	4050	4200

(B) EFFECTIVE APRIL 1, 1962

Chief of Protective Service

From:	4860	5040	5220	5400
To:	5100	5280	5460	5640

Assistant Chief of Protective Service

From:	4380	4560	4740	4920
To:	4590	4770	4950	5130

Speaker's Steward

From:	4260	4440	4620	4800
To:	4470	4650	4830	5010

Chief Parliamentary Messenger, Senate Sergeant, Protective Service

From:	4050	4200	4350	4500
To:	4260	4410	4560	4710

Constable, Protective Service

From:	3750	3900	4050	4200
To:	3930	4080	4230	4380

Assistant Steward and Parliamentary Confidential Messenger, Senate

From:	3570	3720	3870	4020
To:	3750	3900	4050	4200

Parliamentary Confidential Messenger

From:	3450	3600	3750	3900
To:	3570	3720	3870	4020

Head Page, Senate

From:	1674
To:	1734

Page, Senate

From:	1494
To:	1554

All which is respectfully submitted.

L. P. Beaubien,
Chairman.

THE SENATE

Wednesday, January 30, 1963

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

Prayers.

PRIVATE BILL

QUEBEC FIRE ASSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. T. D'Arcy Leonard, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-18, respecting Quebec Fire Assurance Company, and had directed that the bill be reported with the following amendment:

> Page 1: Immediately after clause 1 add the following as clause 2:
>
> 2. The authorized capital stock of the Company is hereby increased from two hundred and twenty-five thousand dollars divided into five thousand shares of forty-five dollars each, to nine hundred thousand dollars divided into twenty thousand shares of forty-five dollars each.

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

Hon. Mr. Leonard: With leave, I move that this report be adopted now.

Hon. Mr. Macdonald (Brantford): Explain.

Hon. Mr. Leonard: Honourable senators, this amendment adds a section increasing the capital stock from $225,000 to $900,000, and was suggested to the company by the Superintendent of Insurance. He appeared before the committee this morning and said that this was his suggestion, that he would like the company to increase its capital. I may say that the company is the second oldest fire insurance company in Canada and has had a small capital for some time.

In view of the fact that the Department of Insurance desired the amendment, that the company is agreeable to it, and that it is in the interest of the public, the suggestion is that we accept it by unanimous consent today.

Report adopted.

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

Hon. Mr. Vaillancourt: Now.

Hon. Mr. Roebuck: No—the next sitting day. There is no reason for dealing with it now.

Hon. Mr. Vaillancourt moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING

Hon. Charles L. Bishop, Chairman of the Standing Committee on Standing Orders presented the committee's second report:

> Your committee recommend that the time limited for filing petitions for private bills (other than petitions for bills of divorce), which expired on Friday, December 21, 1962, be further extended to Friday, February 1, 1963.

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

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

Hon. Mr. Roebuck: No. The Senate deserves some explanation as to why we should open the lists in this way. We always hesitate to extend the time for filing unless there is a reason for doing so. I would like to hear what reason there is.

Hon. Mr. Macdonald (Brantford): Next sitting.

Hon. Mr. Roebuck: Yes, next sitting.

Hon. Mr. Bishop moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

PRIVATE BILLS

CO-OPERATIVE FIRE AND CASUALTY COMPANY —REPORT OF COMMITTEE ADOPTED

Hon. T. D'Arcy Leonard, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-19, respecting Co-operative Fire and Casualty Company, and had directed that the bill the reported with the following amendment:

> Page 4, line 29: Strike out line 29 and substitute therefor the following:
> "12. This Act shall come".

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

Hon. Mr. Leonard: Honourable senators, with the leave of the Senate, I move that the report be taken into consideration now.

Hon. Senators: Agreed.

Hon. Mr. Leonard: Honourable senators, this amendment is a matter of legal draftsmanship. Section 12 of the bill reads:

> The foregoing sections of this Act shall come into force on a date to be specified . . .

The section commenced that way to provide for the Superintendent of Insurance specifying the date and for a notice to be inserted in the *Canada Gazette*.

The superintendent was under the impression that section 12 had to come into effect right away. However, upon further consultation it appeared that the Interpretation Act covers this matter and therefore those words are not necessary. The whole Act, including section 12, will come into force on the date to be specified by the Superintendent of Insurance and nothing is needed to give him power to deal with the matter at the present time. That is purely a matter of legal draftsmanship.

Report adopted.

MOTION FOR THIRD READING—DEBATE ADJOURNED

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

Hon. Donald Cameron: Honourable senators, as I have to leave for the west tomorrow, I wondered if, with the leave of the Senate, this bill could be read the third time this afternoon? However, that is not absolutely essential.

Hon. Mr. Roebuck: It could be spoken to this afternoon.

The Hon. the Speaker: Is it agreed, honourable senators, that this bill be read a third time this afternoon?

Hon. Mr. Roebuck: No, I do not agree to that. I do not want by any means to be the "objector general" in this house; on the other hand, I do not see why we should waive our rules without any reason for doing so. There is no reason why the honourable gentleman should not put the motion now, speak to it and adjourn the debate, and we will pass the measure tomorrow.

Hon. Mr. Cameron: Honourable senators, that is agreeable to me. I move that this bill be placed in the Orders of the Day for third reading at the next sitting of the Senate.

Hon. Mr. Roebuck: That is not exactly what I suggested. My suggestion was that the honourable Senator Cameron be allowed to move third reading now, and then speak to the motion. Then I will adjourn the debate if nobody else does, and we will pass the measure tomorrow.

Hon. Mr. Cameron: With leave of the Senate, I move that the bill be read a third time now.

Hon. Senators: Agreed.

Hon. Mr. Cameron: Honourable senators, this bill received a very thorough explanation in the Banking and Commerce Committee this morning by Mr. MacGregor, Superintendent of Insurance. Contrary to the general practice of co-operatives, this is a reversion to what is a more typical business practice to convert a co-operative to a joint stock company. In effect the bill gives even greater protection to the shareholders and the people who put up the capital. The main purport of the bill is to convert a mutual to a joint stock company. There was no objection to putting the bill through in its present form.

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

STANDARD TRUST COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Leonard, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-20, to incorporate Standard Trust Company, and had directed that the bill be reported without amendment.

Report adopted.

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

Hon. Mr. Choquette moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. A. J. Brooks: Honourable senators, before proceeding with the Orders of the Day, may I ask for unanimous consent to proceed with Order No. 2 before Order No. 1. The Honourable Senator Thorvaldson, who is sponsoring Bill S-22, has to leave the chamber early and would therefore appreciate the indulgence of the house were he allowed to proceed first.

Some Hon. Senators: Agreed.

PRIVATE BILL

GENERAL MORTGAGE SERVICE CORPORATION OF CANADA—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-22, respecting General Mortgage Service Corporation of Canada.

He said: Honourable senators, I appreciate the privilege you have accorded me of proceeding with the second item on the Order Paper.

Bill S-22 is an act respecting General Mortgage Service Corporation of Canada, and its purpose is to amend the act of incorporation of that company, which is chapter 78 of the Statutes of Canada 1960-61, 9-10 Elizabeth II. Honourable senators may recall that this company was incorporated by a bill introduced in this house and passed in the ordinary way.

Bill S-22 deals essentially with two matters only. The first is to give a French language designation to the name of the corporation. Consequently clauses 1A and 1B deal with that matter.

Clause 2 contains the new sections 9A, 9B, 9C, 9D and 9E. Section 9A provides for a slight alteration in the investment powers of the corporation. This is a minor amendment and merely gives the corporation express powers of interim investment of funds received for the purpose of investment in mortgages, namely, pending the investment of mortgages the corporation will have the express power of investing such funds in government-guaranteed securities.

I should have explained at the outset that the purpose of this corporation is to invest its funds in mortgage securities, and it had certain powers of issuing bonds and debentures based on the security of its holdings in mortgages.

The new sections 9B, 9C, 9D and 9E are really incidental to the purpose to which I have just referred.

I could review this bill in more detail, but as the clauses are somewhat technical I think it would be preferable were they explained in committee. Consequently, if the bill receives second reading I propose to move that it be referred to the Standing Committee on Banking and Commerce.

Hon. David A. Croll: Honourable senators, this is the first time I have seen this bill because a copy was not available to me yesterday. It strikes me that we are being asked to grant extraordinary powers. Am I wrong in that?

Hon. Mr. Thorvaldson: I would not say that the main power asked for is an extraordinary one. The fact is that a corporation which is in the business of investing in mortgages may have a certain amount of money on hand—possibly $1 million or $2 million—and cannot at the moment find satisfactory mortgage investments. Consequently, all that is asked is the power to invest such money in government-guaranteed securities pending such time as the company is able to find acceptable mortgage investments. That is my understanding of section 9A in clause 2 of the bill.

Section 9B simply gives the corporation power to pledge its bonds to the banks. In other words, the original act of incorporation of this company authorized the corporation to issue bonds on its own securities, and now section 9B gives the corporation authority to pledge the bonds with a bank.

Hon. Mr. Croll: If the honourable senator will permit me, may I say that I understand what this bill says. My question is, are these the usual powers that are granted to this sort of corporation, or is it asking for something that is extraordinary? I am not at all sure.

Hon. Mr. Thorvaldson: Honourable senators, the question is well put because it will be recalled that when the bill incorporating this company was before the Senate two years ago it contained provisions that made the corporation an unusual type of investment company. Here was a corporation that was not in the usual sense a loan company that was investing in mortgages in the usual way and could be incorporated under the Loan Companies Act. The bill incorporating the company contained very unusual provisions, and I am sure honourable senators will recall that the committee gave it much study. I agree that the act of incorporation contains unusual provisions, but I certainly feel that they will be shown to be quite proper and useful provisions so far as this corporation is concerned when the present bill goes before the Standing Committee on Banking and Commerce.

I am quite prepared to endeavour to explain the meaning of sections 9C, 9D and 9E but, as they are somewhat technical, any explanation I can give could be hardly more clarifying than a reading of the sections themselves. I do urge that this bill be allowed to go to committee where those provisions will be explained in more detail.

Hon. A. K. Hugessen: There is one comment that occurs to me about this bill, and perhaps my honourable friend is able to explain it to me. He mentioned section 9B, which is the section that allows the corporation to borrow money from banks and to

pledge its bonds as security. There then follows what seems to me this very unusual provision:

> Provided that in no event shall the principal amount of the bonds so issued exceed the moneys borrowed on the security thereof.

In other words, if this company wishes to borrow $200,000 on security it can issue no more than $200,000 of bonds which it is pledging to the bank.

That has not been my usual experience with banks in any way, shape or form. I thought banks required a good deal more security than the face value of the borrowings. There may be some special reason, but I am wondering whether by inserting this proviso the sponsors of this bill are restricting themselves and making it more difficult for them to borrow money from banks.

There is another criticism that I might mention in passing, and that is with respect to the proposed French name of the company. "Compagnie Générale Mortgage Service du Canada" seems to be an extraordinary mixture of the French and English languages. I would not call it a French translation of this company's name. I wonder whether the proponents of this bill have seriously inquired as to whether that is a proper French translation of the company's name. As it stands now it is nothing but a mongrel. Perhaps that will be explained to the committee.

Hon. Mr. Thorvaldson: Honourable senators, I was hoping that no one would bring up the French translation of the company's name as it appears in the bill. The only explanation I can make is that the version of the name given in the bill is in "Toronto French", and, indeed, I am already under instructions by the sponsors of the bill that they have discussed this matter with the Committees Branch and have decided that it will be necessary to move an amendment in committee to change the French version of the name from what I call "Toronto French" to "Quebec French". Such an amendment will be moved in committee. My honourable friend is quite right when he says that it is a very inappropriate translation, and it is hoped that the committee will change it.

Hon. Mr. Hollett: After it is amended, will it be more bilingual?

Hon. Mr. Thorvaldson: It will be more properly bilingual after the amendment is passed. I quite agree with my honourable friend (Hon. Mr. Hugessen) in his comment with respect to the proviso in section 9B. That too will be explained in committee, and I would prefer not to go into this matter now because, quite frankly, I cannot add to what has been said on it.

Hon. Mr. Vaillancourt: Apropos to what the honourable senator from Inkerman (Hon. Mr. Hugessen) has said with respect to the French translation of this corporation's name, the word "mortgage" is not a French word.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

NATO PARLIAMENTARIANS

EIGHTH ANNUAL CONFERENCE AT PARIS, FRANCE—DEBATE CONCLUDED

The Senate resumed from yesterday the adjourned debate on the inquiry of the Honourable Senator Macdonald (Brantford) calling the attention of the Senate to the Eighth Annual Conference of NATO Parliamentarians held at Paris, France, 12th November to 16th November, 1962, and in particular to the discussions and proceedings of the conference and the participation therein of the delegation from Canada.

Hon. John Hnatyshyn: Honourable senators, as has been explained previously, each of the four senators who were members of the Canadian delegation to the NATO Parliamentarians' Conference was assigned a certain phase of the trip on which to report, and it has fallen to me to deal with our visit to West Berlin as guests of the West German Government.

Before coming to my report, I would like to join with the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) in saying that the delegation got on extremely well together. Everyone was congenial, and there was no political discussion at all even though four political parties were represented. I know, honourable senators, that that is not unusual for us because politics do not enter very much into the debates in this chamber. Perhaps the reason for it was that we could not influence many votes in West Germany and France. The fact remains that when we were out of the country everybody acted as a true Canadian, and it made me proud to feel that I was one.

In spite of what has been said to the contrary, I would like to state that the delegation did its work well. Everybody, as far as I know, worked hard and I, personally, was proud to be a member of the delegation.

The honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) and I were members of the political committee. I will not deal with that as it is not a subject assigned to me today.

As a prelude to telling of our trip to Germany I would like to read the resolution passed by the NATO Parliamentarians' Conference in regard to West Berlin. As honourable senators know, West Berlin is under the jurisdiction of the four occupying powers—the United States of America, France, the United Kingdom and the Soviet Union. NATO has nothing to say about the administration of West Berlin. However, this is the resolution passed at the NATO Parliamentarians' Conference:

> NATO pledges anew its full support to the three powers (a) to condemn the unnatural and illegal divisions of Berlin, symbolized by the prison wall illegally erected by the Soviets and their satellites;
>
> (b) to stand firm against continuing Soviet attempts to impair the rights and responsibilities of the Western powers with respect to Berlin; and
>
> (c) to insist that the freedom and viability of West Berlin be maintained, including access by land, water and air.

As I stated previously, the delegation, even before leaving the shores of Canada, was invited by the West German Government to be their guests in West Berlin for a period of three days. We were their guests in every respect. They flew us into Berlin, they took care of us when we were there, and they flew us back. They were very genial and kind hosts. Everybody who was on that trip found it not only interesting and educational but very revealing.

We left Paris in the early morning of Saturday, November 17, in a plane chartered by the West German Government, as no other planes may fly into West Berlin but those belonging to the occupying powers. The West German Government had to charter the plane from Air France.

As soon as we boarded the plane we were met by five bright, intelligent representatives from the Bonn Government who informed us that they were at all times at our disposal for any help we might need or as to anything we might wish to see or do while in West Berlin.

We arrived in West Berlin before lunch and proceeded to the Kempinski Hotel, which is a very comfortable one. Berlin has many modern hotels which compare with any to be seen in any other country, and the fame of the kitchen of the Kempinski is well known. Unfortunately, we were not able to have many meals there on account of the numerous luncheons and banquets arranged for us. Every day, including Saturday afternoon, there were bus trips of approximately two and a half hours, touring West Berlin. On the afternoon of the first day, Saturday, November 17, we were taken on a bus tour along the wall constructed by the Soviets and the East German Government on August 13, 1961.

The wall is not in a straight line but twists and turns throughout the city for a distance of approximately 45 kilometers.

Before I visited West Berlin, I had seen pictures of the wall and read many newspaper accounts of it; but, frankly, I was not prepared for what I saw. To start with, the masonry of the wall is of poor quality. Where there are no buildings the wall would be 15 to 17 feet high with barbed wire on top. Where there are buildings there is a seven-foot fence on the parking lot or building, with barbed wire on top of that. In spite of the grave shortage of housing in East Germany, they saw fit to move everybody from every building within half a block of the wall. They also bricked up all windows and left the place a hideous sight. Every hundred yards or so there were two sentries, one with field glasses and the other with a sub-machine gun. The wall is a most brutal and barbaric demonstration of the true aims of communism.

The feeling was that all this talk about coexistence is mere hypocrisy. The impression I got was that when the Soviets talk of getting along with us, one must wonder if they mean what they say and if their intention ever has been to live with us on a friendly basis, except when it suits their purposes.

The wall also gives one the impression that it is a permanent provocation and an aggressive challenge to people who respect freedom and the dignity of man. To me it was clear proof that the Soviets and the so-called East German democratic regime cannot provide for its subjects that minimum degree of freedom which represents the difference between a state and a concentration camp. The building of the wall is nothing more than an annexation of East Berlin, which was under the supreme authority of the four occupying powers before.

In some quarters, especially on this continent, there has been a feeling that though a settlement has not been reached, its postponement has been due to the building of the wall, and that the situation today is less explosive than previously. You do not get that opinion by looking at the wall, and such an illusion is dangerous.

The wall has not decreased tension in Berlin but has made the situation much more critical. No one can or should expect that

Berliners, and the Germans as a whole, will resign themselves to the wall. All one has to do is walk along the wall and see written over and over again in white chalk or white paint on the west side of the wall the words "There is only one Berlin".

The wall has sundered hundreds of thousands of human bonds. Families have been divided, the father and mother on one side of the wall and the children on the other. Brothers and sisters have been separated. There is no permission to visit even the immediate relatives at such functions as weddings. No permission exists even to visit in case of death, to attend a funeral or to visit cemeteries on the other side of the wall. I think the wall presents a true picture of the Soviet claim to champion the right of self-determination. In my opinion the only reason that the East Germany Republic exists today is that there are 24 Soviet divisions in East Germany.

I shall not speak further of the wall because I would like to tell honourable senators of more pleasant things we saw in West Berlin. Many functions were held, the first being a reception at Charlottenburg Castle by Dr. Gurstenmoier, President of the Bundestag. The reception was followed by dinner. It was truly a wonderful affair. The castle itself is a 250-year-old monumental piece of architecture dating back from the era of the Prussian kings. It was almost completely demolished during the war but has since been rebuilt in its original style, so that anyone who had seen it before would recognize it and would not know it is a new building.

May I say in passing that although West Berlin was almost completely devastated and destroyed during the war, there is not a sign today of any former destruction. It has been completely rebuilt.

On Sunday we enjoyed a sight-seeing tour of Berlin for two and a half hours. At noon a luncheon was given by Mr. Lemmer, Federal Minister of All-German Affairs. In the evening many of us attended a dinner at the home of the Deputy of the Canadian Military Mission and Mrs. K. B. Williamson. Some delegates later attended the opera, which I believe was the only opera performed that evening because it was a Sunday.

On Monday we paid a visit to the Emergency Reception Centre for refugees. Unfortunately, it was a hasty visit; we were only able to talk to two or three refugees and had little time to get information. However, we saw the refugee buildings and learned something of the system they have of screening refugees. When a person crosses the boundary he is detained for about a month, or whatever length of time is considered necessary.

Before luncheon we attended a reception given by Mr. Bach, President of the House of Representatives. At noon a luncheon was given by Mayor Willy Brandt, Mayor of West Berlin. Many of you met him when he visited Ottawa in 1959 and will recall that he spoke fairly good English at that time. Today his English has improved so much that if you heard him speak in Canada or the United States you would have difficulty knowing that he was not a native of one of these countries. The speech he delivered at this luncheon was most gracious. He made it plain that the only reason West Berlin exists today, and has any freedom, is because of the friends it has in the West.

Honourable senators, I would like to speak briefly about the city of West Berlin. It covers an area of 185 square miles. We toured the city in brand new comfortable glass-covered buses. A guide explained the various buildings as we passed them, and we stopped to look at some of them.

Greater Berlin covers a distance of about 23½ miles from north to south and is 28 miles from east to west. Our guide told us that three of Germany's largest cities, such as Frankfurt, Stuttgart and Munich, could be put into the area that constitutes Greater Berlin.

To give some idea of how the area of Berlin is divided by percentage, agriculture occupies 20.7 per cent; parks, 6.7 per cent; rivers and lakes, 6.3 per cent; and woods and forests, 17 per cent. The rest of the city consists of 33.5 per cent of built-up area; streets and paths, 11.1 per cent; railways and airfields, 4.7 per cent.

In spite of the critical situation that exists as far as West Berlin is concerned, you meet people all over the city, walking, strolling, working and laughing. The first thing that strikes one is the industry of the people. Everybody seems to be working, except on a Sunday. Everybody seems to be busy all the time. The shops are among the most modern you can find anywhere; they are beautiful and are stocked with first-grade goods. When visiting shops in the main area surrounding our hotel I found no difficulty in conversing with anyone, since so many of the people spoke English.

Among the many interesting things we saw was the Olympic Stadium which has a seating capacity of 100,000 persons, and of which I am sure most of you have heard a great deal.

It has not been mentioned before, but one of the most pleasant events was on our return trip when we stayed overnight in Ireland, not leaving there until three o'clock the following day. Fortunately, I got up early in the morning and found that the

honourable senator from Ottawa West (Hon. Mr. Connolly) had got there before us. He had not gone to West Berlin, but had gone on to Ireland. He had rented a small car and was extremely kind in taking Senator Pearson and me on a tour of part of Ireland, such as Limerick and the beautiful surrounding Irish countryside. He was a pretty useful guide and seemed to know a good deal about Ireland. That was one of the most enjoyable parts of the trip as far as I was concerned.

Honourable senators, I wish to repeat that I feel the delegation served the purpose for which it was sent, and that all the delegates worked hard. There has been some talk elsewhere about night life in Paris. I know that Senator Macdonald (Brantford) knew nothing about any night life. I have known Senator Pearson for a long time and I know that he goes to bed before midnight, and I know that Senator Connolly of Ottawa West is fairly well behaved everywhere he goes.

Hon. Walter M. Aseltine: Honourable senators, my purpose in rising is to say how pleased I am with the reports we have received from the delegates who were sent to represent us at the NATO Parliamentarians' Conference. In fact, I am quite proud of them, for we sent three distinguished lawyer senators and one ambassador of agriculture. I feel they did a good job and represented us as we would wish them to. I challenge any newspaper writer or, for that matter, any person to say that the Canadian Senate was not well represented at this meeting of NATO parliamentarians.

While I am on my feet, I want to pay a brief tribute to the honourable Senator Robertson, who was the founder of the NATO Parliamentary Association, as was stated briefly yesterday by Senator John Connolly.

I remember—I think it was in the year 1955—when Senator Robertson told me that he was not satisfied with the way things were going in NATO, that too much attention was being paid to the military side of the NATO Treaty and he thought that something should be done to implement Article II of the treaty. He felt that although the military part was very necessary the other was also very important.

After talking it over with me and quite a number of other honourable senators, Senator Robertson went to work on it. He even made one or two trips to Europe and spent several months working on this project. His idea was to set up an organization or an association similar to the Commonwealth Parliamentary Association, which had been very successful in solving the difficulties that arose from time to time in the Commonwealth. He thought that if he could set up a similar organization of NATO parliamentarians it would be a good thing, and he especially stressed the implementation of Article II of the treaty.

After Senator Robertson had contacted most of the NATO countries, we set out for Paris. All that he was able to do was to arrange for transportation—we paid all our own expenses. We landed in Paris and immediately got down to work, and no one was more pleased than I when Senator Robertson was made first president of the NATO Parliamentary Association. I well remember his speech of acceptance and how proud I was of what he said and the way he conducted himself in his speech and throughout the whole proceedings.

Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: He was kind enough to ask our present Prime Minister, Mr. John Diefenbaker, to address the meeting on behalf of the Canadian delegation. Everything went well.

We spent a week in Paris, and we organized everything fully and got the association underway. It was not until after the organization was completed that we had any fun.

After spending a week in Paris at our own expense, as I said, we went to Metz and inspected the Maginot Line; from there we went to Soest, where our army forces are stationed, and there spent several very profitable days. We inspected the schools provided for the children of our soldiers stationed there and we visited all the surrounding country, and I came to the same conclusion as did the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford), that our soldiers were well received and very popular.

We then boarded a plane and went to Baden-Baden where we spent several days inspecting our Air Force. On the last day before we left Germany we made a trip to the Black Forest, a very interesting place. We learned that whenever one tree is cut down two are planted in its place.

Then, on the last evening we went to the great casino. I was told that except for Monte Carlo it is the biggest one in Europe. There we had a little fun, and some of the boys did a bit of gambling.

Hon. Mr. Drouin: Good clean fun.

Hon. Mr. Aseltine: The next morning we left by air for home by way of the Azores, stopping there one night where we were entertained by the American Air Force which had a station there at that time.

Honourable senators, you may wonder why I am telling you of this trip. Well, I have an object in view.

For several years after this association was founded I was not a delegate until its meeting in Washington. It was decided that there

should be one meeting of the NATO Parliamentary Association on this side of the water, and I went to Washington as a delegate, along with the late Senator Bradette. We had with us Senator Mark Drouin, then Speaker of the Senate, Senator Robertson, the honorary life president of the association, and Senator John Connolly and several others. We had a powerful delegation, I thought. However, I found out that I should not have been a member of it at all because from 1955 up until that time I had not been in touch with the affairs of the association, any more than being a member of it, and it took me the whole week that I was in Washington to brush up on what had happened from 1955 until that time. The result was that I was not nearly as good a delegate as I might have been.

That leads me to express the view that the nucleus of delegations which we send in the future should be composed of delegates who have had experience and who have attended previous meetings. For example, I think that Senator John Connolly and Senator Pearson should be appointed to go to the next meeting of the association whenever one is held, and they could take some new blood with them with the idea of building a good strong delegation.

In this connection I would like to mention the Interparliamentary Union. That organization holds a convention every year, and recently held one in Brazil. Our delegates from the Senate were Senator Thorvaldson, in charge of the delegation, Senator Dessureault, Senator Beaubien (Provencher) and Senator Méthot.

We sent to that meeting in Brazil experienced delegates who previously had been to Japan and other places and who knew exactly what they were there for and what they were doing. Therefore, it is my suggestion that in the future we should keep such matters in mind and make sure when we send delegates to meetings of this kind that we send experienced delegates. By all means, let us send some new blood along too, but let us keep in mind the need for sending a nucleus of experienced delegates so that the Parliament of Canada will be represented at these meetings in the proper manner.

Hon. David A. Croll: Honourable senators, I enjoyed listening to the speech made by Senator Hnatyshyn and to what Senator Aseltine has just said, but I cannot resist saying how thoroughly I disagree with the suggestion made by Senator Aseltine as to future delegations. This business of putting the Senate into the hands of a small clique who decide that this or that person shall be a delegate and that he has a life tenancy in it is, I think, a great mistake.

Some Hon. Senators: Hear, hear.

Hon. Mr. Croll: I think the only life tenancy we have is within the Senate, and even that is not too certain. I do not know of any superior beings in the Senate. I believe we are all about equal so far as capabilities are concerned, and there is no magic about attending NATO meetings or taking a trip to Brazil.

I think the best policy the Senate can follow is never to send the same persons twice. Pass these assignments around, and give anyone who is interested a chance to go. I am not looking for a job; you could not send me on one of these trips if you tried. The best I can do is to attend the United Nations, because there I am not too far from home and can get back and practise law.

I did not intend to speak on this subject but I have heard the matter mentioned frequently, and now that it has been raised again today I cannot pass up the opportunity to speak on it. I would like the Leader of the Government (Hon. Mr. Brooks) and the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) at least to remember what I say, that it is not the person who has your ear who should go on these trips, but pass the assignments around so that everyone can obtain background knowledge. By so doing there would be less talk among the senators as to who have the "in" and who have not.

I believe that the delegation which recently represented Canada was a good one; but I think they have had it for the time being, and that when a NATO Parliamentarians' Conference comes around the next time there ought to be a new delegation. Also, the delegations that went to Brazil and Nigeria each made a fine report. I heard the report delivered by the honourable Senator Smith (Kamloops), and it was one of the best I have ever heard. It was an interesting report, and I know him well enough to appreciate that what he told us was absolutely true. He really takes these duties seriously and does an excellent job. Yet the delegation was damned up and down the country by people who accompanied the delegation, and he had to bear part of the brunt, though I am certain he was not responsible for any of the matters which caused criticism. From our point of view, perhaps, the delegates should take along a different kind of reporter, and that might help too.

Hon. Muriel McQ. Fergusson: Honourable senators, I cannot let this occasion pass without saying very emphatically that I could not disagree more with Senator Croll than I do now. I had the privilege of attending the meetings in 1955 when the NATO Parliamentary Association was organized, and I agree

with Senator Aseltine that we did a very good job. When we first went there none of us knew too much about what we were doing, and we all learned a great deal. You might be interested to know that because I felt I had not known much about NATO before being a delegate at the meeting, I did study it quite thoroughly and later made many speeches in my own province about the organization. Most of those I addressed knew less than I about it, and they were interested to learn of the organization and its work. I think we could do more of this educational work.

I might mention, too, that I took a number of photographs, and were any honourable senators interested I would be only too glad to put on a slide show. For instance, at the places Senator Aseltine told you we visited, where our NATO forces were stationed, I obtained some excellent pictures which might interest you.

The reason I feel strongly on this subject right now is because of my recent visit to the United Nations. As many of you know, I was there last fall as a parliamentary observer with the Canadian delegation. I found there many people who had been attending the United Nations representing their own countries for many years, and they are highly regarded and well known. They knew how to go about doing things and how to accomplish what they had to do, as representatives of their countries, if they wanted to be successful.

I think we should certainly send as many individual delegates as we can, but I also feel that we should have a nucleus of well-trained persons who can be our representatives on delegations to organizations such as the United Nations, the Interparliamentary Association, the NATO Parliamentarians' Conference, and the Commonwealth Parliamentary Association.

Hon. A. J. Brooks: Honourable senators, I do not rise to enter into a controversy. I may say, I agree with everyone who has spoken. I do agree particularly with what Senator Aseltine said about our delegation: I do not think we could possibly have been represented by a finer group than that which represented the Senate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Brooks: Speaking personally, I have enjoyed every word of the remarks each delegate has made. They have been interesting and, indeed, most instructive. As long as we can send delegations of that calibre, whether they are experienced or inexperienced, I am sure that we shall be very well represented.

Debate concluded.

PRIVATE BILLS

CANADA PERMANENT TORONTO GENERAL TRUST COMPANY—SECOND READING

Hon. Lionel Choquette moved the second reading of Bill S-23 respecting Canada Permanent Toronto General Trust Company.

He said: Honourable senators, I could be very brief in dealing with this bill; however, I want to give the background as to the name of the company and speak about the bill that was passed in the Senate in 1961.

The sole purpose of this bill is to change the name in English as well as in French and to make it a little shorter, because it is now cumbersome in either language.

The Canada Permanent Toronto General Trust Company is the corporate entity resulting from the amalgamation on December 1, 1961 of The Canada Permanent Trust Company and The Toronto General Trusts Corporation, pursuant to an act of the Parliament of Canada, chapter 77 of the Statutes of Canada, 1960-61. Under that act the company's name in French is, *Compagnie de Fiducie Canada Permanent Toronto General.*

The Canada Permanent Trust Company was originally incorporated by special act of the Parliament of Canada in 1913, Statutes of Canada, 1913, chapter 87. The Toronto General Trusts Corporation was incorporated by special acts of the Province of Ontario in 1872.

The authorized capital stock of the company is $10,000,000, of which $4,616,000 has been issued and fully paid up. As at December 31, 1962, the company's total capital and guaranteed assets amounted to $106,456,147, and in addition the company held, under administration in estates, trusts and agencies, assets amounting to $860,355,602. The total assets were $966,811,749.

The company is a subsidiary of Canada Permanent Mortgage Corporation, which was incorporated under The Building Societies Act of Upper Canada in 1855, and was reincorporated by special act of the Parliament of Canada in 1899.

The head office of the trust company is located at Toronto, Ontario. Twenty-five branch offices are maintained across Canada: in Halifax, Nova Scotia; Saint John, New Brunswick; Montreal, Quebec; Ottawa, Port Hope, Sault Ste. Marie, Hamilton, Brantford, Kitchener, Woodstock, London, Windsor and Toronto, in Ontario; Winnipeg, Manitoba; Regina and Saskatoon in Saskatchewan; Calgary and Edmonton, in Alberta; and Vancouver and Victoria, in British Columbia.

At the time of amalgamation it was recognized that the names adopted for the amalgamated company were cumbersome and that it would be desirable to shorten them at an

early date. However, it was considered necessary to use the longer names temporarily in order to acquaint the general public with the new development and to preserve good relations with the former customers of the two constituent companies. As a result of extensive advertising and publicity the fact of the amalgamation has become generally known and shorter names should now be adopted.

In view of the company's relationship to Canada Permanent Mortgage Corporation, it is felt that a short name similar to that of the parent company would be appropriate and desirable for purposes of advertising and general convenience. Both the French and English names are stated in the bill, and it is my understanding that there will be a period of 30 days after the passing of this bill before it comes into force in order to give the company time to adjust its letterhead and to do all other things connected with the new names.

Hon. David A. Croll: Honourable senators, I rise to support this bill but I have two reservations of which I intend to give notice now, and to follow up a little later.

In the first place, I do not think that companies should have to come to this house for the purpose of obtaining a French name. We have had many similar bills recently. A French name should be available to these companies upon application to the Companies Division of the Department of the Secretary of State, and a company should not have to come here and, as one honourable senator put it earlier today, present us with "Toronto French" or "Winnipeg French", or worse. There are competent people in the Companies Division who are able to translate these names into the French language and to say: "This is the name which we approve, and this is the proper name". This should not be the subject of a private bill.

The second matter is something more important. If these people are serious about asking for a French name they should be compelled to use both the English and the French name. The name in English and in French is the name of the company, and the name under which the company is incorporated, and both should be used whether the company is conducting business in Toronto, Vancouver or elsewhere. They should not be alternative names.

These companies merely come here for the purpose of obtaining authorization to use an alternative name, and they will use one name in Quebec, and another one in Vancouver or Toronto. That is not the purpose or the object of such legislation. If they are trying to bring about more understanding among our people then they would do a much better job if they used both names on their letterhead. Both names constitute the name they are given. If that were done then more people in this country would appreciate the fact that we are a bilingual country; that we are serious about it, and not pretending to be serious.

There may be other similar bills that will come before us and I will make the same objection to them until there is some agreement. Other than that, I support this bill.

Hon. Arthur W. Roebuck: Honourable senators, I would like to support what my honourable friend to my right (Hon. Mr. Croll) has said with regard to this business of a dual name. I understand that we are giving this right to two names not altogether for the convenience of the company but for the understanding of the public. That is to say, if we are addressing someone whose language is French then we address him in the French language, and if we are addressing someone whose language is English then we address him in the English language.

That is perfectly reasonable, but this bill says that the company may use for the transaction of its business either or both of such names as and when it so elects, and also to sue or be sued in either or both of these names. That is to say, if they establish the French name in a French community, and they are known as such in that community, they may sue some individual there using the English name. That is not right.

If we are going to have the convenience of understanding by using both names, then the company should sue a French person in the French name and an English person in the English name, and the only way of doing that is to use both names. If the company is going to have two names, it should use the two names. When it issues a writ against somebody whose language is unknown, the writ should be issued in both languages, and we should require it to be in both languages.

This measure is designed, I think, for the purpose of confusion rather than plainness. I would strike out the words "and may sue or be sued in either or both of such names", and make the company sue in both names.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

CONFEDERATION LIFE ASSOCIATION—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-24, respecting Confederation Life Association.

He said: Honourable senators, perhaps I should be a little hesitant, in the light of the remarks of the honourable senator from Toronto-Spadina (Hon. Mr. Croll), in advising the Senate that this is another bill to provide a company with a French name. While I do not entirely agree with the honourable senator's remarks, I would suggest that until we have some other method of providing for the name of a company in the French language the only procedure available is to ask for the passage of a bill.

So much has been said on the principle of this that I do not need to add anything more. However, I do think that it is a move in the right direction, and I hope to see companies more and more using French names in connection with their business with French clients or customers, or wherever they think it is desirable to use French, and using the English name when they are dealing with clients or customers who speak the English language.

Honourable senators, I would like to say a few words about this particular company. The Confederation Life Association is one of our larger and most highly respected companies in the Canadian insurance industry. It is the fourth oldest life insurance company in Canada, and it was the first such company to be established in Toronto. It was incorporated in 1871, some 92 years ago and just four years after Confederation. No doubt that great event was in the minds of the incorporators of the company when they were selecting the name.

The first president of the company was Sir Francis Hincks, who was Minister of Finance under Sir John A. Macdonald, and one of its two original vice-presidents was Sir William P. Howland, one of the Fathers of Confederation.

The founder of the company was Mr. John Kay Macdonald, and he had a remarkable record of service with the company. His span of service as managing director and as president ran over 57 years. His son, Mr. Charles S. Macdonald, was subsequently the president of the company, and at the present time the president is Mr. John K. Macdonald, the son of Mr. Charles S. Macdonald and a grandson of the founder of the company. From this it can be seen, and as we have ourselves discovered in this chamber, the Macdonalds are a very hardy and talented clan.

I remember Mr. John Kay Macdonald, and I am sure there are other members of this chamber who do also, as a very distinguished citizen of Toronto.

The company is now completing its conversion to a mutual company. It commenced this plan of conversion some five years ago after amendments were made by Parliament to the Canadian and British Insurance Companies Act. At the present time it has acquired over 97 per cent of its stock from previous shareholders, and full conversion will be completed by the end of June of this year. In the meantime, the 15 members of the board of directors are all policy holders. The company does business throughout Canada, as well as elsewhere outside of Canada, and has been doing business in the province of Quebec since its incorporation.

Over 23 per cent of its entire business is transacted in Quebec, and more than 21 per cent of its policies have been issued in the French language. In those policies the company has used the name "Confederation Life Association". My French-speaking colleagues who know the language so much better than I do will understand the reason for it, but I will tell you that the French name given by the translator in translating the original act of incorporation of 1871 into the French language is *Association d'Assurance sur la vie dite de la Confederation.* There are 10 words in that name, and consequently it has not been used. This bill gives it a more appropriate and usable name, and I hope my colleagues will find it linguistically correct. The name in French is *La Confédération, Compagnie d'Assurance-Vie.*

If this house approves the second reading, I shall then move that the bill be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

INTERNAL ECONOMY

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fourth report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. L. P. Beaubien, Chairman of the committee, moved that the report be adopted.

He said: Honourable senators, in moving the adoption of this report I would like to say a few words in explanation.

Since the coming into force of the new Civil Service Act of 1961 our staff is under the jurisdiction of the Senate, and not under the jurisdiction of the Civil Service Commission. Therefore, when the Government granted salary increases to certain classifications of civil servants our employees in the same classifications did not get the increase automatically. Your committee has felt that we should recommend that our employees in

each of those classifications be given increases corresponding to those granted to civil servants under the jurisdiction of the commission.

In the other place, the Internal Economy Committee recommended exactly the same increases that have been granted in other branches of the service.

Honourable senators will notice that there are two groups mentioned here, and that in group A the effective date is October 1, 1961, while in group B the effective date is April 1, 1962. The reason for having two effective dates is that in group B there was an adjustment upward since the last general increase in 1960.

Honourable senators, some members of our staff are not covered by these increases. The reason we are not recommending any increase now is that the Civil Service Commission has not yet recommended increases for their classification. If increases are recommended in the case of those groups, we will submit another report.

Hon. W. Ross Macdonald: Can the chairman of the committee tell the house just what groups are not included in this increase? As I understand it, those receiving the lowest rates of salary as employees of the Senate and in similar occupations in the Civil Service are not getting the increase, but that the intention is to give them an increase. It appears that those who are now getting substantial salaries are having them increased. I do not object to that. I want to make it perfectly clear that I agree with the increases. However, those salaries are being increased in one instance retroactively to October 1, 1961 and in the other instance to April 1, 1962. What about the lower-paid group, which includes the char staff and the messenger service, and others in grade 1? Can the chairman of the committee say why they are not included now or whether they will be included in the near future?

It strikes me that if any of our employees need an increase, those in the lower-paid group need it at least as much as those in the higher-paid group. I do not think we should just let the matter drop by giving this increase to higher-paid groups, which is proper, without seeing that an increase is given also to the lower-paid group.

Hon. Mr. Beaubien (Bedford): Honourable senators, first of all, the increases which have already been granted have been granted on what is called a cyclical basis; in other words, they deal with one group, then another, and another, and so on. It may be that the group of people not affected by this increase is a group which has not been dealt with yet.

I have here a list of the people who have not been recommended for an increase up to now. On looking at it, I would think they are being fairly well paid for the work they are doing. Naturally, I cannot speak for my committee, but I do not know whether or not an increase will be recommended later. However, the question will be taken up and dealt with, if, as and when people in the same classification in the Civil Service are granted an increase.

Hon. Mr. Lambert: May I ask the honourable senator if the categories set forth in this report are not the subject exclusively of the consideration of the Internal Economy Committee of the Senate? This report contains the recommendations of the Internal Economy Committee of the Senate in these categories?

Hon. Mr. Beaubien (Bedford): These are the recommendations.

Hon. Mr. Lambert: Then the other unclassified group is subject to Civil Service Commission recommendations. Is that not so?

Hon. Mr. Beaubien (Bedford): No. All members of our staff are now under the Senate. I suppose we could recommend anything we wish. I do not think we have to be guided by what the Civil Service does. The House of Commons has passed a similar recommendation and we are doing pretty well what they are doing.

Hon. David A. Croll: A point arises from what was said a moment ago. I understood the honourable senator to say that we are not dealing with those other classes because the Civil Service Commission has not dealt with similar classes in the Civil Service.

Hon. Mr. Beaubien (Bedford): I did not say we would have dealt with them if the others had been granted. I say that we have not dealt with them and are not going to deal with them, unless the House of Commons does something and we feel we should follow suit. So far we have not dealt with them.

Hon. Mr. Croll: That is my point. I did not know that our staff was not under the Civil Service Commission. I always thought they were. I thought all staffs were under the Civil Service Commission.

There are certain advantages in being under the Civil Service, and I know of no disadvantages. Now I hear that our staff is not under it, and I am just informed that this happened a couple of years ago. How it got by without debate in this house is beyond me, but apparently it did. I understand from what the honourable senator has said that if the Civil Service Commission recommends an increase, in all probability we will pass it and give a similar increase to our staff on the

same level. That is all right, but at the moment some of these people are not getting an increase and they have not the advantages which civil servants have generally. They are at some disadvantage. I cannot understand at the moment how we permitted ourselves to get into this position, and I do not see why we should be in it. I think our staff should be under the Civil Service Commission so that they can have all the advantages and none of the disadvantages. To have none of the advantages is a great mistake.

Hon. Mr. Beaubien (Bedford): I do not know of any disadvantage suffered by any of our staff.

Hon. Mr. Croll: The disadvantage is that we are waiting for action by the House of Commons on the Civil Service recommendations before we are prepared to take action in regard to some of our people. Senator Macdonald (Brantford) indicated a moment ago that people in the lower categories should have been looked after. He may be wrong in that; I do not know much about those categories. Senator Beaubien (Bedford) himself said a moment ago that it is quite possible that, if the House of Commons gives the civil servants in some classes an increase, we will do that also. Therefore, we are waiting for them.

Hon. Mr. Beaubien (Bedford): Honourable senators, first of all, it is not Internal Economy Committee which grants these increases. The committee makes recommendations and the Senate grants the increases. If the honourable senator does not know what the increases are, and so on, I do not see the purpose of the argument. We are recommending what we think is correct. Some think we should recommend more, but I do not think we are bound by what others do. If the Senate wants to pass something different, that is for the Senate to decide.

Hon. Mr. Macdonald (Brantford): Honourable senators, if I may speak again, may I say that I am not complaining in any way about this report. I agree with the findings of the committee and the increases recommended, but what strikes me as passing strange is that the employees of the Senate who are in the lower categories and who receive the lowest wages are not included in this group. Why that is so, apparently the chairman of the committee does not know, and I do not know. However, at least I personally shall make inquiries to ascertain why those in the lower-paid group have not been included. There may be a very good reason for it, but the fact remains that they are not included.

Hon. Arthur W. Roebuck: I wish to express my pleasure at the increases that have been given to our civil servants. We have a good civil service, composed of conscientious, careful, polite employees—a reasonable body of persons. I am very happy indeed that the Internal Economy Committee has been able to recommend these increases, and I congratulate the committee. However, I am sorely disappointed that some employees have been left out of our largess.

Something has been said about the cleaning staff. They are not mentioned here at all. They are the early morning group of people who come in and clean up our corridors and offices long before we are on the job. I think they have a claim. They are, as the Leader of the Opposition (Hon. Mr. Macdonald) said, the low-paid members of our staff. The cost of living has increased, and they have to eat as all the rest of us do. I do not think the explanation that it has not yet been handled by some other authority is good enough. It should have been handled by our committee.

Besides the char staff women, there are the messengers. I happen to know something about the messenger service.

Hon. Mr. Macdonald (Brantford): There are also men on the char staff.

Hon. Mr. Roebuck: Oh, yes, there are both men and women on the char staff.

I want to speak about the messengers. They are good people, and they also have to eat. I happen to be in very close touch with two who are at least grouped with the messengers. They are not even mentioned. We have a young man in the Committee's Branch by the name of Martel who is in that category. The range of salary for messengers is $237.50 per month for the first year, $250 for the next year, and $275 for the third year. Martel has now reached the $3,300 mark to which the $275 rate extends. But he has been on the staff for six years. He is an excellent employee; he is reliable, industrious, intelligent. It does not seem right that his situation has not even been considered. He is a good citizen; he is married, with a wife and several small children. He is captain of the Aylmer fire brigade, a voluntary brigade, which shows that he is an excellent citizen.

Perhaps it is not in good taste for us to single out certain ones, but I am pointing out that these messengers should have been considered, and that it is not good enough to say that they have not been taken care of by another authority when we have the responsibility of hiring them. I would be very sorry indeed to see that young man lost from our staff, for he is one of the men who function in the court over which I preside,

and I know something about him. I say that one cannot speak too highly of him, and he should be considered.

Another with whom I am fairly familiar—though he has not been with us as long as Martel—is Mr. Reid, a sessional employee, as distinct from Martel who is a permanent employee. Mr. Reid is well educated, with a splendid background and with good experience on our staff, and he has not even been considered or mentioned because there is some general idea that the Civil Service Commission, which is no longer taking care of our staff, has not dealt with this matter. These men should never be classified as messengers, because they are doing work that is far beyond that scope.

With great respect to the committee, I suggest that the two instances I have mentioned, and there may be very many more, are sufficient to justify my asking that this matter be reconsidered by the committee. Never mind what the Civil Service Commission does with other employees. That is their responsibility. It is our responsibility to look after our own, and they are good employees. With respect, I would ask the committee to reconsider this subject of the lower paid members of our staff, and particularly the messengers and the two employees I have mentioned.

Hon. A. J. Brooks: Honourable senators, I have little to add to this debate. I did attend the committee meeting yesterday, and my understanding was that this is only a partial list of classifications and that there are certain other classifications which will be recommended later. The char staff was mentioned, as were also the messengers. I am satisfied that after many years of dealing with all these steps there must be a procedure which has been followed in the past and I am sure the same procedure is being followed now. If that is not so, there must have been something wrong in the past. However, my understanding yesterday was that all these employees will be considered, that this committee will hold other meetings, the matter will be before it, and it will make its representations to the Senate.

Hon. Mr. Croll: The honourable senator speaks of a procedure that has been followed in the past. It is true, I believe, that in the past all civil servants came under the Civil Service Commission, but now I understand that the Senate staff is no longer under the commission, and so we must set up our own procedure.

Hon. Mr. Brooks: Since when?

Hon. Mr. Croll: Two years ago, I understand. Am I wrong?

Hon. Mr. Isnor: Ten years ago.

Hon. Mr. Croll: The Civil Service Act applied two years ago, I am told.

Hon. Mr. Pouliot: 1960 to 1961.

Hon. Mr. Croll: We have set up our own procedure. I do not think there was any criticism of the chairman of the committee at all, until he said—and this was what prompted me to rise—that there are others that we have not dealt with because we are waiting to see what they do over at the House of Commons. We are either under the Civil Service or we are not, and if we are not then we should not be handicapped; certainly some people are to the extent that there are benefits under the Civil Service that are worth while.

Hon. Mr. Brooks: My understanding is that we set up our own procedure and are masters of the situation ourselves.

Hon. Mr. Roebuck: Then let us deal with the matter as masters and not as followers.

Hon. Mr. Brooks: Yes; that is up to us.

Hon. Mr. Roebuck: Let us take the lead. We will tell the other house to look after its own people. In the meantime, let us look after ours.

Hon. Jean-François Pouliot: Honourable senators, I am satisfied that the Senate is looking after its own employees. As the Leader of the Government (Hon. Mr. Brooks) has said, these figures are subject to being completed in due course by looking after certain other employees. I am all for the autonomy of the Senate and for the principle that the Senate should look after the remuneration of those who work for it; and that will be much better done by a Senate committee than by the Civil Service Commission. One of the most ridiculous things in the Civil Service Commission is the organization branch which has investigators who are supposed to know everything. They go to the chief of the branch, and it is he who has the power of life or death over anyone under his jurisdiction. For instance, if Tom works for John Doe and complains that he suffers an injustice or a wrong of some kind, the Civil Service Commission will look after him in this manner: they will send an investigator who will consult John Doe, Chief of the Branch, in the first instance, and then will ask Tom what is the matter about which he complains. After that the investigator will go again to John Doe, and the last word of John Doe will be the final report of the investigator for the Civil Service Commission.

That is the way it works. It is not at all complicated. That procedure will exist as long as there is an organization branch of the Civil

Service Commission. It is impossible for anyone from outside to know what kind of work is being done in an office except through the report of the Chief of the Branch. He is the only one who knows what is going on in the office, and sometimes it is not even the chief, but it is the assistant chief who reports to the investigator, and that is the hierarchy of the Civil Service Commission.

Honourable senators, it is much better to have a system like ours. I am satisfied with it. I understand it may not be perfect—nothing is perfect in this world—but it can be perfected in due course.

Report adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, January 31, 1963

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

Prayers.

BUSINESS OF THE SENATE

Hon. A. J. Brooks: Honourable senators, a number of my honourable colleagues have inquired about the business of the house, and I would like to say a few words with reference to it. While it is a good question, I am sorry I have not too good an answer, because it has been very difficult to determine just what the business of the house in the immediate future will be.

Hon. Mr. Macdonald (Brantford): Do you mean of this house or the other house?

Hon. Mr. Brooks: I mean of the Senate. I will let the other house look after itself.

As honourable senators will recall, we dealt with all the items that were on our agenda before the Christmas recess. May I at this time express my deep appreciation for the full co-operation of all senators in completing the work we had to do, such as the debate on the address in reply to the Speech from the Throne, and other business that came before the Senate.

It was expected that we would have an interim supply bill before us this week. It is not here yet, and I cannot state any definite time when it will arrive; I rather think it will be next week, probably about the middle of the week.

Honourable senators who review the *Routine Proceedings and Orders of the Day* of the other place will note that there is a great deal of business to be conducted. There is considerable legislation to come before Parliament. Some bills have already received second reading.

For instance, Bill C-81, to amend the Customs Tariff, has been before the House of Commons for some time and I would imagine that that would be dealt with soon.

There are other bills which have been before Committee of the Whole and should not take much more time. I refer to Bill C-91, to amend the Freight Rates Reduction Act; Bill C-59, to approve an agreement between the Government of Canada and the Government of the Province of Ontario respecting Public Harbours; Bill C-87, to provide for the establishment of a National Economic Development Board. These have just recently been before Committee of the Whole, and there are some others in that category.

Besides that there are thirteen bills dealing with very important subjects slated for second reading. I will not go over them all, but some of them are: the Interpretation Act, Carriage by Air Act, Aeronautics Act, amendment to the Export and Import Permits Act and the bill to amend The British North America Act.

There are also many resolutions dealing with matters of great importance. One of these concerns the establishment of an Indian Claims Commission. There are twelve resolutions altogether.

I mention these items, honourable senators, to show that there is a heavy backlog of legislation which no doubt will be coming before the Senate in due time.

We shall have in the Senate for immediate attention some private bills which I understand will be coming before us, as the time is to be extended for receiving private bills. There will be a discussion next week on the recent work of the United Nations. This is a very interesting subject. Besides those who attended, being Senator Fergusson, Senator Blois, and Senator McLean, I know that there are others who are anxious to discuss these important matters.

I mention these items of business in answer to honourable senators who have been asking me what the work of the Senate will be. I hope we will have these items before us in the not too distant future.

Hon. W. Ross Macdonald: Honourable senators, I do not know what was the purpose of the Leader of the Government in reading to the Senate the list of bills that are on the Order Paper in the other house. We all have seen that Order Paper for the last two or three months or more and we are familiar with all these bills, at least the names of them.

When the honourable Leader rose I thought he was going to make an announcement of some importance, of something new. I thought that perhaps he was going to announce the introduction of some new bills. But he did not announce any bill that would bring relief to the country because of the austerity program which is now in effect.

A few days ago the honourable the Minister without Portfolio (Hon. Mr. McCutcheon), speaking outside this chamber, said that the austerity measures must not remain permanently and that we cannot go forward on a sound basis if they do. I thought the honourable Leader of the Government was about to announce that we are to make a forward step in that respect, in order to put our economy on a sound foundation; but, no, we heard nothing about that.

Failing that, I thought we would hear about some measure that would relieve the serious

unemployment situation which the country faces at the present time. There are approximately 400,000 people out of work—practically the same number as at this time last year. However, we have heard nothing concerning that serious problem. It may be we should be grateful to the Leader for reading the Orders of the Day of the other house, but I must say I am disappointed that we have not heard something constructive.

Hon. Mr. Brooks: I thought I explained that my object in making this statement was that I had been asked by honourable senators about the business of the house. I know that honourable senators can read the Orders of the Day of the other house just as well as I can.

Hon. Mr. Choquette: You mean, you did not suspect any trap had been set for a political speech to be made.

Hon. Mr. Brooks: I might have commented —but I do not think this is the place or time— on the reason why there have not been more bills coming before this house and more work for us to do. If anyone attends the other place and listens to the debates they will realize what the reason is—

Hon. Mr. Macdonald (Brantford): Mr. Speaker, I rise to a point of order. As the Leader of the Government (Hon. Mr. Brooks) knows, it is completely improper to reflect on anything that takes place in the other house. I must say that I am surprised that that reflection comes from the Leader of this house—

Hon. Mr. Brooks: Perhaps I might ask, what reflection?

Hon. Mr. Macdonald (Brantford): When I get through my friend can speak.

Honourable senators, I think we must stand on firm ground in this house. It is greatly beneath our dignity to become involved in a controversy about the other house. Who could not accuse, in many respects, but far be it from me. I shall accuse no one. I believe that if we are careful and keep our proceedings on a high plane we do not need to worry too much about the other house.

Hon. Mr. Brooks: Honourable senators, I am not going to get into a controversy with my honourable friend the Leader of the Opposition (Hon. Mr. Macdonald, Brantford), but I understood from his remarks that he was criticizing the Government—

Hon. Mr. Macdonald (Brantford): I did not say that.

Hon. Mr. Brooks: —because they had not brought down certain legislation, about which he was very emphatic. He said that legislation concerning unemployment and other matters had not been brought before the house. To my way of thinking, he is the one who introduced reflections, as far as the business is concerned.

ADJOURNMENT

Hon. Mr. Brooks: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, February 5, at 8 o'clock in the evening.

Motion agreed to.

PRIVATE BILLS

QUEBEC FIRE ASSURANCE COMPANY—THIRD READING

Hon. W. Ross Macdonald, for Hon. Cyrille Vaillancourt, moved the third reading of Bill S-18, respecting Quebec Fire Assurance Company.

Motion agreed to and bill read third time and passed.

STANDARD TRUST COMPANY—THIRD READING

Hon. Lionel Choquette moved the third reading of Bill S-20, to incorporate Standard Trust Company.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Choquette, seconded by the honourable Senator Brooks, P.C., that this bill be now read a third time.

Hon. Mr. Willis: Honourable senators, may I be allowed to refrain from voting because of personal interests?

Motion agreed to and bill read third time and passed.

CO-OPERATIVE FIRE AND CASUALTY COMPANY—THIRD READING

On the Order:

> Resuming the adjourned debate on the motion of the honourable Senator Cameron, seconded by the honourable Senator Woodrow, for third reading of Bill S-19, intituled: "An Act respecting Co-operative Fire and Casualty Company".—(Honourable Senator Roebuck).

Hon. Mr. Macdonald (Brantford): Honourable senators, I understand the motion for third reading was made yesterday and that Senator Roebuck adjourned the debate. He is not present at this moment.

Hon. Mr. Burchill: Honourable senators, if necessary I will move third reading.

Hon. Mr. Macdonald (Brantford): Third reading was moved yesterday.

Hon. Mr. Stambaugh: Honourable senators, it is my understanding that Senator Roebuck simply adjourned the debate on the motion for third reading to allow the matter to stand until today. I am quite sure it was his intention that this bill be read the third time today.

On motion of Hon. Mr. Cameron, bill read third time and passed.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Standing Committee on Standing Orders.

Hon. John J. Kinley, for Hon. Charles L. Bishop, Chairman of the Committee, moved adoption of the report.

He said: Honourable senators, in answer to some questions asked yesterday concerning this report, may I state that the time limited for filing petitions for private bills, other than petitions for Bills of Divorce, for the present session expired on December 21, 1962. The purpose of this report is to recommend a further extension of the time to allow for the filing of three petitions.

One petition is for the incorporation of a mortgage company. Another is a petition from the Great-West Life Assurance Company to provide that the company may transact business under either an English or a French name. The third petition is from the Board of Trade of Metropolitan Toronto for the passage of a bill to amend their act of incorporation to enable them to increase the value of the property which they may hold.

In each case the promoters represented to the committee that there is an urgency to have these bills dealt with at the present session of Parliament.

In the case of the Board of Trade of Metropolitan Toronto, counsel stated to the committee that the increase in membership in the very recent past makes it necessary that their facilities to serve the businessmen of Metropolitan Toronto be expanded without delay. In order to do this the board has decided to establish a suburban club in the northwestern area of Metropolitan Toronto. The board is well advanced in negotiations for a site for the club, but the detailed planning and financial arrangements cannot be proceeded with until the Board's powers to hold land are changed.

It is usual for that committee to extend the filing time to the following Friday. Yesterday the committee extended the time to Friday, because we understood that a bill respecting the Girl Guides might come in and be filed by Friday; if not, it will be too late.

Report adopted.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

EIGHTH CONFERENCE AT LAGOS, NIGERIA—DEBATE CONCLUDED

The Senate resumed from December 6, 1962 the adjourned debate on the inquiry of the honourable Senator Smith (Kamloops) calling the attention of the Senate to the 1962 General Conference of the Commonwealth Parliamentary Association held at Lagos, Nigeria, October 14 to November 14, 1962, and in particular to the discussions and proceedings of the conference and the participation therein of the delegation from Canada.

Hon. Edgar Fournier: Honourable senators, it seems to me this debate has been so long delayed that it has not only gathered moss but has grown whiskers.

Senator Smith (Kamloops) has covered the situation very well already, so there does not remain much for me to say. In his speech he explained the purposes and aim of the Commonwealth Parliamentary Association, which is known as C.P.A.

I met Senator Smith just before leaving on the trip, and after arriving in Lagos I had the privilege of being with him during the latter part of the time and on the return journey. I may say that no one could be a better travelling companion than he.

Honourable senators, I should like to endorse everything that Senator Smith said in his remarks. He mentioned in his report that such conferences are hard to control—I think he called them a "clearing house". It is true that many delegates who travel long distances, perhaps as far as 10,000 miles, have speeches prepared for some months previously and perhaps they have a chip on their shoulders. The program contained an agenda with many special items and in the 20 minutes allowed to each delegate it is almost impossible for him to say what he wishes. To overcome this problem there was a recommendation that the conference should operate something like a House of Commons or Senate, with a speaker to keep everyone in order. However, we arrived at the conclusion that it would be almost impossible to do so, because many delegates had grievances regarding other countries, for the most part against Canada and the United

Kingdom; and we thought it better to let them get off their chests what they had to say, so that they might feel better.

The voice of Canada was heard very well by everyone. There was clear and constructive talk and all the recommendations were sound; whereas, some others were just talking in order to get their speeches on record.

Honourable senators, I was proud to be associated with the Canadian delegation. I must admit, however, that I knew little of where I was going and what was expected of me. I should like to take this opportunity to thank those responsible for making the trip possible. It came to me as a surprise, and I thank them sincerely.

I left Canada by myself five days behind the group. One of the reasons was that I had to get four shots. These are not exactly the shots which my good friend Senator Burchill might like to see me get—they were medical shots, needles. The delegation left on Wednesday and I left on the following Monday, with my four shots and a box of pills. I departed from Ottawa at 4 o'clock and arrived in Scotland at 2 o'clock in the morning by my watch —it was then 6.15 in the morning in Scotland and the sun was just about rising. I was to fly from Prestwick to London at 9 a.m. but, as one might expect, I was fogbound in Scotland until 11 a.m. On arrival in London there was more fog, and the plane had to circle above the clouds for an hour and a half, among 17 other aircraft flying at various altitudes.

The pilot of our plane opened the connecting door so that we could hear plainly his conversation with the control tower, and this helped us to pass the time. This flight was on a 707 B.O.A.C. jet and I had a first-class ticket. Honourable senators who know my weakness can readily believe that I enjoyed the wonderful food.

Since my plane did not arrive in London until one o'clock, my connecting plane had gone and therefore I was transferred to one of the motels in the airport and booked for a flight the next morning at 9 o'clock.

The next morning there was still fog. I was taken to the airport by car, and we left finally at 2.30 for Lagos aboard another B.O.A.C. jet. The flight from London to Lagos took five or six hours. We flew over Paris, Barcelona, Algiers and then over the Sahara Desert for two and a half hours. Our first landing was at Kano, an old trading post halfway between south and north Africa. It is a very old city with a history that goes back to 300 B.C. The walls around it date back to 1200. When we arrived the temperature was 97 degrees, and it was just getting dark. On getting out of the plane we were struck by the tremendous heat.

Honourable senators, it was there that I had my first sight of what one might call the primitive life in Africa. For some 20 minutes before landing we were losing altitude and could clearly see the bush. There were little groups of 10 or 12 huts made out of clay and covered with palm leaves or straw, which would take in areas of about 200 feet. These 10 or 12 huts were in a U-form, with a campfire in the middle. They were fenced around by straw or even by walls of clay. There were many such groups of huts in small areas, giving an impression of the very primitive way of life there. I may tell a little later on what takes place in some of those huts, as we had an opportunity to visit a few.

We left Kano an hour later and arrived at our destination, Lagos, at 8.30. The temperature was 87 degrees. It was a hot reception on account of the weather, the customs clearance, the newspapermen and the officials. At the hotel I met the remainder of the group and had a chance to talk to Senator Smith again for a few minutes.

The following morning we were divided into three groups, Senator Smith being in a different group. The 135 delegates were flown, in three groups, each to one of the three provinces of the Federation of Nigeria.

My particular group was flown in a DC-3 to Enugu, in the eastern part of Nigeria. Part of the trip was over the Niger River, and as we were not flying very high, possibly 4,000 feet, we could see thousands of huts built in the swamps. We wondered how people could live in such dank and swampy places. On arrival in the provincial capital Enugu, we found that, in spite of the primitive surroundings, there was a lot of activity. There were many white people, mostly from the United Kingdom, who had built many industries there. There were modern legislative buildings, schools and hospitals, many of which were constructed under the Colombo Plan. We stayed in a catering house, of which there is one in each province and I thought it very good, though others did not think it was exactly suitable. One expects such things in a primitive country and I was quite happy.

This little motel was not air conditioned, and we had to sleep in screened beds. I must say that it was uncomfortably hot without any cool air coming in. Most of the windows of such buildings are without glass. During the night all kinds of pests circled around continuously, perhaps out of curiosity because we were white people.

A day or so later we took our longest trip by car, driving some 200 miles. This was the first time we glimpsed sights of primitive life along the road. We were not too happy with the drive since we were speeded along sometimes at 75 or 80 miles an hour on very narrow roads or what one might call one-way streets. The roads were very crooked, and there was oil on the surface of them. There were not many hills but there were thousands and thousands of people walking on either side of the roads. Most of them were women and children going to market, some carrying very heavy loads of wood, fruit, bananas, or other products. Among them were many women carrying babies on their backs. We saw people who were well dressed, others not so well dressed, and still others who were scarcely clad at all. The lack of clothing on many of the people causes one surprise at first, but it does not take long to become accustomed to it. Indeed, we felt deeply sympathetic towards them, for we knew it was on account of poverty—they just had nothing much to put on.

Along the road were many villages of huts, and the bush was thick. The wild animals have been chased out by the building of roads. The United Kingdom built roads from one capital to another, the distance between capitals being about 250 miles, and we covered such distances by plane. We stayed possibly four or five days in these capitals, driving 60 or 70 miles a day in various directions, but always coming back to our point of departure.

A banquet was held practically every evening. These were mostly formal dinners given by such notable people as premiers and, in one case, the lieutenant governor, in another by the chamber of commerce, and by universities, industries, and cabinet ministers. I believe we attended some 22 of these official banquets. They were the kind of banquets one would attend almost anywhere—people gathered together, having a little social conversation beforehand, everybody carrying a glass, which might contain anything from pepsi-cola to champagne. There was always a guest speaker.

I am sure you would like to know what we did after such a function. I was a bit suspicious of the little car which was mentioned in the debate yesterday. We had no little car. In fact, as we had no place to go we went to bed. During the night we could hear birds and wild life in the bush. Some of our people complained that it was a bit noisy.

Then a group of us went to the city of Ibadan, which has a population of about one million. It also is primitive, but it has a few buildings. There we met some Canadian teachers with whom we had supper, and they told us about everything that we had already seen.

We also went to Enugu, a large city towards the north where we visited the tobacco factory and cotton mills. In this city an official supper was given. There was no table, and everybody sat on the floor. That was quite an experience. The service was excellent and the food good. The officials wore their native costumes, while we wore our formal dinner jackets. I am sorry I was unable to take a photograph of ourselves sitting on the floor. I dare say that some of our women would be quite happy to see us in a position like that!

Then we went to Sokoto where I think we had our finest reception. Sokoto is an old city which dates back 2,000 years, and has changed hands among tribes many times through frequent wars and massacres. There lived the Sultan of Sokoto. Senator Smith has a book about him and I hope to see it some time. The Sultan is the chief of all Nigeria. He is the spiritual and political leader, and controls just about everything. I do not think I would be divulging any secrets if I say very freely that he has many dozens of wives and some hundreds of children. We were told exactly how many, but I would not like to repeat it in case I might be wrong.

The Sultan, or His Excellency—I think that title is appropriate—is perhaps 64 or 65 years of age. He is a jolly, pleasant man. He does not speak a word of English, but speaks a couple of his own native languages. He is very friendly, likes to talk and joke with everybody and he also likes to read.

We arrived at the airport in Sokoto at about four o'clock in the afternoon. All the people there are Moslems, attired in white robes and wearing wrapped headgear. We were surprised to see possibly a thousand Moslems, all about six feet tall, lined up at the airport. We paused there for a few minutes, and then left by car for the Sultan's palace. The drive was approximately five miles. It was said that there were about 50,000 people lining the sides of the road, but I would settle for possibly 25,000 and they were standing about ten deep. For about the last mile before arriving at the castle there was a beautiful cavalcade of cavalry horses, with both riders and horses arrayed in varied colourful robes. The horses were not as large or heavy as the horses of this country, but are small and skinny. The other side of the road was flanked by elephants, reminding one of a circus.

Finally, we reached the palace where we were met at the door by guards, colourfully attired. We then attended a reception. These

people do not drink alcoholic beverages, so we were served pepsi-cola, orangeade, or other soft drinks. Also they do not listen to music or watch television as we do. They are very religious, and carry a kind of rosary, which they use at certain hours of the day. One sees them sitting on the sidewalk or elsewhere, observing their religious customs. At certain times of the day they turn to the east and kneel or sit on the ground and pray for perhaps forty-five minutes or an hour, even in restaurants or hotels.

The next day we dined with the Sultan again. He delivered quite a speech through an interpreter. He was jolly and interspersed his remarks with jokes. The Sultan has visited New York, but has not yet come to Canada, which he hopes to do some day. He has visited the United Kingdom on many occasions. He is well educated, and I think he knows what is going on in this country. We attended still another reception at the palace the following day, before we left, and he came in attended by all his guards and many of his sons, most of whom are in politics, some as premiers of the provinces. They just about control, as we say, the whole show.

We also visited the museum in Sokoto, but we were chiefly impressed by what we saw at the palace and what was taking place there. In addition we visited a mosque. The old mosques were made out of clay and were mud packed. This one, however, is very modern. The services of an American architect were secured for its design and construction. It is a large and costly building of marble. We saw the throne where the Sultan will be seated while the religious offices are recited, for he is the spiritual leader of the country. There are many buildings in that part of the country that are of modern construction, yet primitive life is prevalent.

Later we flew back to Lagos. That was our longest trip, back to the conference, which I believe lasted for 10 days. This is where the report of Senator Smith comes in. I want to say that our trip was totally different from visits to other parts of the world. One may go to South America, France, Australia or anywhere in the world, and the whirl of modern life is evident all around. Our trip was completely different. One reads in magazines and newspapers and sees pictures of clay buildings with roofs made of palm leaves, and natives half dressed and people emaciated and dying on the streets, but it is really hard to believe that these conditions exist until one sees them. Even in Lagos, which has a population of about a million and a half, and which is supposed to be quite modern, such conditions prevail. One sees hundreds of cripples and beggars along the sidewalk, even people dying. Naturally you feel sorry for them; you stop and look at them. The natives just walk right by. However, there is nothing you can do; you cannot pick them up because there is no place to put them; they just do not belong to anybody.

Travelling along these roads from place to place we passed through many small and very primitive villages. The houses are made of clay and the walls are thick, with holes cut for doors and windows. There is no hardware or glass on the doors or windows. As you drive along you see thousands of people sitting along the road wherever there is shade. You can see fifty or sixty people sitting under trees, and that is their home. If it starts to rain they remain there because they have no other place to go.

As far as food is concerned there is plenty of fruit. Travelling along through the wilderness we saw miles and miles of orange trees, pineapples and bananas. All these fruits grow in the bush and as a consequence the people do not go hungry.

The inhabitants are not wealthy. We had doctors in our delegation who told us that these people did not get the right kind of food and as a result they were not healthy. They had no muscles, were very skinny and their average life span is about 33 years.

If honourable senators remember, when I came back I sent you copies of this report, but it is made up in such a way that you have to read between the lines. I regret that when I made that report I got mixed up in my bearings, east with west and north with south. My geography was upside down.

In the Federation of Nigeria the people speak about 300 different languages, and we were told that in some places within a square mile you could find eight different tribes speaking eight different languages.

We found that practically all the people are marked on the face, or on the ear, the neck, or somewhere else. These are tribal marks. However, we were told that in the last 10 or 15 years this custom has been done away with. Practically all the people we met, such as the prime minister, cabinet ministers, and members, bore those marks, which had been made when they were infants of seven days. The reason of course was for identification, to distinguish an individual, and to determine the tribe to which he belonged.

Senator Smith (Kamloops) and I took many photographs and I hope that when Senator Smith returns we can show our slides to you at your convenience. It will be an opportunity for further comment, and during the showing

we will be able to tell you a lot more. Senator Smith took about 300 photographs and I took about the same number. We will make a selection of the best and at your convenience we certainly would like to show them to you.

Honourable senators, suggestions were made yesterday concerning the choice of delegates to be sent on a mission such as I have described. I may say that I am a firm believer in the suggestion that each should be given a chance to take such a trip. However, consideration should be given as to whether the delegate goes there in an advisory capacity or as an observer. In that regard I think it would make some difference as to who should be chosen. Also, for trips to places such as Nigeria it is important that we send delegates who are physically fit to make the trip. As you know, we lost one man, which was very unfortunate. It was very embarrassing, especially to our Canadian High Commissioner, who had to return the body home. Another member could not stand the heat and had to stay at the hotel; and on doctor's orders he left the country five days before the conference was over. He had lost 20 pounds and was just about done in because of the heat. These facts should be taken into consideration in selecting a delegation.

There is one part of this little report which I gave earlier that I would like to place on record. It is not long, so I will read it:

> The friendship of all the delegates from the four corners of the world was indeed remarkable. The leaders of the tour were all natives of the highest calibre; they spared nothing to answer our questions and they drove us around as we wished. The conference at Lagos lasted seven days and was most instructive; a banquet or a reception was given each day by various civic groups.
>
> Our Canadian High Commissioner, Mr. Carter, and his staff were at our service at all times and were very helpful. All the Canadian delegates were his guests at one time or other. We are very thankful to him, to Mrs. Carter and to his staff.
>
> The people of Nigeria are very friendly to Canadians. The word "Canada" is well known, and remarkably so by the children. In general, these young generations of the Commonwealth face a challenge—the transformation of a primitive country to a modern way of living. The greatest problem is the immense population. I am confident that they are moving in the right direction. They need assistance in every form. They welcome our help and advice. Like all other nation builders, at times they make mistakes, but let us not condemn them too soon. The history of our own Confederation reveals that we made the same errors at one time or another. We were received with open arms, like brothers—let us keep it this way. If we do not, the communists are already there taking advantage of every occasion and we could be sorry later for a short-sighted attitude.

Honourable senators, I thank you.

Debate concluded.

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

THE SENATE

Tuesday, February 5, 1963

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

Prayers.

NEW SENATORS

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

Rheal Belisle, Esquire,
Professor Paul Yuzyk,

respectively, have been summoned to the Senate.

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; took the legally prescribed oath, which was administered by the Clerk, and were seated:

Hon. Rheal Belisle, of Sudbury, Ontario, introduced between Hon. Mr. Brooks and Hon. Mr. Choquette.

Hon. Paul Yuzyk, of Winnipeg, Manitoba, introduced between Hon. Mr. Brooks and Hon. Mr. Hnatyshyn.

The Hon. the Speaker informed the Senate that each of the 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.

DOCUMENTS TABLED

Hon. A. J. Brooks tabled:

Report of work performed and expenditures made as of December 31, 1962, together with the estimated expenditures for 1963, under authority of chapter 13, Statutes of Canada, 1957-58, as amended, respecting the construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and from Chisel Lake to Stall Lake, and the purchase by Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba, pursuant to section 11 of the said act. (English and French texts).

Capital Budget of the St. Lawrence Seaway Authority for the year ending December 31, 1963, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1963-105, dated January 22, 1963, approving same. (English text).

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 505 to 523, and moved that they be taken into consideration at the next sitting.

He said: Honourable senators, I would like to place on record some figures as to the operation of the Standing Committee on Divorce in which I think you will be interested.

At the close of the time for the filing of petitions I announced that there were 902 petitions before us. Since then we have recommended 520 petitions. That figure, of course, includes the 323 petitions that were heard during the last session but not passed by the House of Commons, and which were returned to this chamber and re-processed by us. So, to date in this session the committee has recommended and sent to the other place 197 bills. Four petitions have been rejected, five have been withdrawn and 20 have been partially heard. There are 353 petitions presently pending and which have not been dealt with in any respect beyond our receiving them and processing them in the usual way.

The committee will meet for the first time since the Christmas recess on the 18th day of this month—perhaps. The new committee rooms in the West Block will not likely be finished sufficiently by that time for us to meet there, so we are planning to continue our meetings for the present in the place where we have met for many years.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Roebuck, seconded by the Honourable Senator Burchill, that reports numbered 505 to 523 both inclusive from the Standing Committee on Divorce be taken into consideration at the next sitting of the Senate.

Hon. W. Ross Macdonald: On division.

Motion agreed to, on division.

UNITED NATIONS

SEVENTEENTH SESSION OF GENERAL ASSEMBLY—DEBATE POSTPONED

Hon. Fred M. Blois rose pursuant to notice:

That he will call the attention of the Senate to the Seventeenth Session of the General Assembly of the United Nations, held in New York City, and in particular to the discussions and proceedings of the Assembly and the participation therein of the delegation of Canada.

He said: Honourable senators, it had been my intention this evening to give a personal report on the activities of the Canadian delegation to the Seventeenth Session of the United Nations in New York. However, a number of senators have suggested to me that there is something on this evening that they believe will be much more interesting than listening to me. If it is agreeable to honourable senators, I would ask that this matter be postponed until tomorrow.

Hon. Senators: Agreed.

Debate postponed.

The Senate adjourned until tomorrow at 3 p.m.

The Twenty-Fifth Parliament was dissolved by Proclamation of His Excellency the Governor General February 6, 1963.

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Abbreviations

1r, 2r, 3r	= First, second, third reading
amdts	= amendments
com	= committee
consid	= considered
div	= division
m	= motion
neg	= negatived
ref	= referred
rep	= report
r.a.	= royal assent

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2.	Export Credits Insurance Act, an Act to amend	C-63

ASSENTED TO NOVEMBER 29, 1962

3.	Appropriation Act No. 7, 1962	C-86
4.	Combines Investigation Act and the Criminal Code, an Act to amend	C-49
5.	Estate Tax Act, an Act to amend	C-79
6.	Excise Tax Act, an Act to amend	C-80
7.	Farm Credit Act, an Act to amend	C-71
8.	Income Tax Act, an Act to amend	C-78

ASSENTED TO DECEMBER 20, 1962

9.	Appropriation Act No. 8, 1962 ..	C-105
10.	Atlantic Development Board Act	C-94
11.	Canadian National Railway—construction of a line of railway in the province of New Brunswick, from Nepisiguit Junction to the property of Brunswick Mining and Smelting Corporation Limited, a distance of approximately 15 miles	C-93
12.	Canadian World Exhibition Corporation Act	C-103
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17.	National Housing Act, 1954, an Act to amend	C-102

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